

NCSC IAS

FEBRUARY 2024 (CAAP)

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**CURRENT
AFFAIRS
ANALYSIS
PROGRAMME**

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1st Feb, 2024

1. What Makes the India-France 'Strategic Partnership' Tick GS 2 (International Relations)

• Why in News:

- The strategic partnership between India and France has witnessed significant growth and evolution over the years, marked by diplomatic ties, defence collaborations, and cultural engagements.
- President Emmanuel Macron's recent visit to India underscores the unique and special nature of this partnership.
- It is important to delve into the historical origins of this alliance, the building of the partnership, and the current state of cooperation, encompassing defence, space, and civilian sectors.

• Historical Origins of Strategic Convergence between India and France

- **President Chirac's Historical India Visit**
 - The roots of the strategic convergence between India and France can be traced back to the late 1990s when India, under the leadership of PM Atal Bihari Vajpayee, conducted a series of nuclear tests in May 1998.
 - This act not only marked India's formal entry into the nuclear weapons club but also set the stage for the establishment of its first Strategic Partnership.
 - French President Jacques Chirac's presence as the chief guest at India's Republic Day in the same year was symbolic and laid the groundwork for a relationship that would prove to be resilient and mutually beneficial.
- **France's Recognition of India's Nuclear Programme**
 - President Chirac's declaration during his visit that India's exclusion from the global nuclear order was an anomaly was a pivotal moment.
 - It signified France's recognition of India's nuclear capabilities and its stance on rectifying what it saw as an unjust exclusion.
 - This early acknowledgment demonstrated a level of understanding of India's security imperatives that set France apart from other global powers at the time.
- **First P-5 Country to Endorse India's Entry into Security Council**
 - In the aftermath of India's nuclear tests, France emerged as the first P-5 (permanent member of the UN Security Council [UNSC]) country to engage in a constructive dialogue with India.
 - This dialogue was characterised by a nuanced comprehension of India's security concerns, particularly in the context of regional dynamics.
 - Additionally, France openly supported India's aspiration for a permanent seat in an expanded and reformed UNSC, further solidifying the basis for a long-term partnership.
- **Strategic Alignment on Multipolarity**
 - The historical context of the Cold War and its aftermath played a crucial role in shaping the convergence between India and France.
 - Both nations, despite having different historical trajectories, found common ground in their commitment to multipolarity in international relations.
 - French discomfort with a unipolar world order, articulated by Foreign Minister Hubert Vedrine's description of the US as a 'hyper power,' resonated with India's own ambitions of seeking strategic autonomy in a rapidly changing geopolitical landscape.
- **France's Early Focus on Asia-Pacific**
 - Furthermore, France's early realisation of the geopolitical shift towards the Asia-Pacific, coupled with its status as a resident power in the Indian Ocean, positioned India as a natural and strategic partner in the region.
 - This foresight set the stage for future collaborations, particularly in defence and security, as both nations sought to navigate the evolving global dynamics post the Cold War era.

• France-India Strategic Partnership

- **Evolution of the Strategic Dialogue**
 - The initial dialogue, primarily centred around nuclear issues, expanded over the years.
 - Later, the strategic dialogue expanded to inclusion of defence, space, counter-terrorism, intelligence sharing, and cyber-security in the bilateral agenda.
 - India-France strategic dialogue featured gradual broadening of the partnership to encompass global challenges, demonstrating a shared commitment to addressing pressing issues beyond regional concerns.
- **Defence Collaboration Milestones**

What makes the India-France 'strategic partnership' tick



Through part of the security world, France, as a non-Anglo-Saxon nation, found it easier and more natural to engage with India on equal terms.

The regular dialogue, established in May 1998, grew into a broader strategic dialogue and was elevated to the level of the Indo-French Strategic Partnership in 2008. The dialogue has been a platform for the two countries to discuss a wide range of issues, from nuclear security to counter-terrorism, and has been instrumental in building trust and understanding between the two nations.

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- Landmark achievements in defence collaboration include the successful completion of projects such as the **Scorpene submarines**.
- The conclusion of the **government-to-government agreement for 36 Rafale aircraft**, resolving earlier **negotiations' impasse** was a significant milestone in India-France relationship.
- **Technology-sharing MoU and acquisitions of short-range missiles and radar equipment** are important milestones in India-France partnership.
- **Naval, Air, and Ground Exercises**
 - Joint naval exercises initiated in 2001, followed by air force exercises in 2004 and army exercises in 2011.
 - **India and France are having regular joint exercises, enhancing interoperability and mutual understanding** between the armed forces of both nations.
 - **These exercises not only strengthen military capabilities but also foster a deeper understanding** of each other's operational procedures.
- **Strategic Agreements for Future Collaborations**
 - During PM Modi's visit to France, **announcements were made regarding further defence acquisitions**.
 - **An agreement was signed for three more Scorpene submarines with enhanced features** and 26 Rafale M aircraft for India's new aircraft carrier.
 - **The India-France Defence Industrial Roadmap**, concluded during President Macron's visit, outlining collaborative initiatives aligned with India's goal of self-reliance (atmanirbharta).
- **Technology Transfer and Aerospace Industry Growth**
 - The defence collaboration, particularly the Rafale deal, has facilitated significant technology transfer.
 - **The offset target of 50% in the Rafale deal has catalysed the growth of India's aerospace industry.**
 - Agreements with companies like Tata Advanced Systems Ltd. and Airbus for setting up assembly lines for civilian helicopters, showcasing a commitment to furthering technological cooperation.
- **Broadening and Deepening the Partnership**
 - Efforts have been made to **extend the partnership beyond government domains into commercial and civilian spaces**.
 - Joint working groups on various subjects, including agriculture, environment, civil aviation, IT, and telecom, showcase the diversified engagement between the two nations.
 - **Educational collaboration has been a notable success**, with the number of Indian students in France surpassing 10,000, and a target set for 30,000 by 2030.
 - **The operationalisation of the Young Professionals Scheme and the possibility of French universities establishing campuses in India** further enhance people-to-people connections.
- **Challenges/Maturity in India-France Strategic Partnership**
 - **Private Expression of Differences**
 - **Recognition that public airing of differences can be detrimental** to the strength of the partnership.
 - **Maturity displayed in expressing disagreements in private discussions** rather than through public channels.
 - **The private handling of disputes reflects a shared understanding** of the partnership's value and the need for a united front on the global stage.
 - **Quarter-Century of Nurturing Ties**
 - The relationship between India and France has matured and deepened over the last quarter-century.
 - **The longevity of the partnership showcases the resilience of the ties even in the face of evolving geopolitical landscapes.**
 - **The understanding built over decades has contributed to the stability of the relationship**, enabling both nations to weather challenges with a long-term perspective.
 - **Strategic Autonomy and Non-Alignment**
 - **Both India and France value strategic autonomy, each in its own fashion.**
 - India adheres to a policy of non-alignment, emphasising its independence in foreign policy decisions.
 - **France's withdrawal from NATO's integrated military command in 1966 underscores its commitment to maintaining control over its nuclear deterrent and sovereignty.**
 - Despite these differences in approach, the partnership has flourished, reflecting a mature understanding of each other's strategic priorities.
- **Conclusion**
 - **The India-France Strategic Partnership has transcended geopolitical shifts**, evolving into a multifaceted alliance that spans defence, space, education, and more.
 - **Macron's recent visit solidifies the bond, emphasising the significance both nations attach to this relationship.**
 - **As the partnership broadens and deepens, it stands as a testament to the mutual respect, understanding, and maturity** between two nations with rich histories and diverse trajectories.

2. One Stop Centres Scheme

GS 2 (Governance)

- **Why in News:** Success of One Stop Centres in aiding women facing violence, with more than 700 centers established across India. On the 32nd foundation day of the National Commission for Women (NCW), the significant impact of these centers was highlighted along with the crucial role of the NCW's 24x7 helpline for women.
- **Background**
 - The **One Stop Centre initiative**, under the **Women and Child Development Ministry** and funded through the **Nirbhaya Fund**, aims to offer comprehensive support to women encountering violence in both public and private spaces, including domestic violence.
 - The **NCW plays a pivotal role** in fostering conditions that enable women to actively participate in social, economic, and political activities.
- **One Stop Centre Scheme:**
 - The One Stop Centre Scheme, a **centrally sponsored scheme** of the Ministry of Women and Child Development, addresses violence against women.
 - Established **under the Nirbhaya Fund**, these centers provide **integrated assistance**, featuring administrators, case workers, medical personnel, legal counselors, and other support staff.
 - The One Stop Centre Scheme operates under the umbrella scheme for the **National Mission for Empowerment of Women, including the Indira Gandhi Matritrav Sahyaog Yojana**.
 - It receives funding from the Nirbhaya Fund, with the central government providing 100% financial assistance to state governments and union territories.
 - The scheme aligns with recommendations from the **12th Plan Working Group on Women's Agency and Empowerment** and the **Usha Mehra Commission**, aiming to provide a comprehensive response to gender-based violence in India.
- **Achievements and Impact:**
 - These One Stop Centres have assisted more than **3 lakh women to date**.
 - The services offered include **emergency response, medical assistance, legal aid, counseling, shelter, and more, all aimed at creating a supportive environment for women facing violence**.
- **NCW's 24x7 Helpline:** It plays a vital role in providing immediate assistance to women in distress. The helpline complements the One Stop Centres, collectively contributing to women's safety and well-being.

700 one-stop centres set up across the country: Irani

Union Minister Smriti Irani on Wednesday said that one-stop centres to help women who have faced violence have been established in over 700 districts across the country and around 8.3 lakh women have received help through them. The one-stop centre is a scheme of the Women and Child Development Ministry set up under the Nirbhaya Fund and aims to support women facing violence in public and private spaces. Addressing the 32nd foundation day of the National Commission for Women (NCW), Ms. Irani lauded the mammoth effort of the emergency response service through the NCW 24x7 helpline for women.

3. National Mission for Mentoring

GS 2 (Governance)

- **Why in News:** The National Council of Teacher Education (NCTE) is awaiting approval from the Ministry of Education to launch the National Mission for Mentoring (NMM) on a national scale. This mission aims to significantly expand the pool of mentor teachers from 60 to 1,000, providing professional and personal support to school teachers across India.
- **Background**
 - In line with the **National Education Policy (NEP) 2020**, the NMM seeks to establish a robust framework for continuous professional development and mentorship for school teachers.
 - The proposal involves **scaling up the number of mentor teachers**, with a particular focus on various instructional modules and areas crucial to educators'

NCTE awaits Ministry nod to roll out National Mission for Mentoring

Minister Pooja

With an aim to provide mentoring to school teachers, the National Council of Teacher Education (NCTE) has proposed to expand its pool of mentor teachers from 60 to 1,000 and is awaiting the nod of Ministry of Education to approve the National Mission for Mentoring (NMM). The NCTE member secretary, Pooja, said that the mission can be rolled out across the country.



In the pilot mode, up to 700 mentor teachers have registered for training in the field of professional and personal support to school teachers. The NCTE has also identified a large pool of outstanding professionals willing to provide professional and personal support to school teachers. The NCTE member secretary, Pooja, said that the mission can be rolled out across the country.

development.

- **Pilot Mode:**

- The NCTE has already initiated a **pilot mode, attracting around 700 mentee teachers** seeking training through the NMM portal.
- The mentoring areas identified **include instructional modules** for Hindi and Mathematics in primary, middle, and secondary sections, digital education, socio-emotional learning, inclusive education, professionalism and ethics, classroom management, building 21st-century skills, interpersonal skills, action research projects, art-integrated pedagogy, and teacher's mental health engagement.

- **Mentor Profile:**

- Out of the initial 60 mentor teachers, **half of them are Padma awardees.**
- This **initiative aligns with the NEP 2020 and marks a groundbreaking effort where teachers receive mentorship** support to enhance their knowledge and teaching abilities.

- **Financial Support:**

- The Union Budget for 2021-22 recognized the significance of the NMM, leading to the **Ministry of Education's approval and the allocation of ₹1.28 crore** for building digital infrastructure.
- Subsequently, in **2022-23, an additional ₹2 crore was utilized to run the mission in pilot mode.**
- The NCTE has drafted a **National Mission for Mentoring - The Bluebook**, a document awaiting approval from the Ministry of Education for the nationwide rollout.

- **Implementation:**

- The pilot program was launched in **July 2022 in 30 selected central schools, including 15 Kendriya Vidyalayas, 10 Jawahar Navodaya Vidyalayas, and five CBSE schools across the country.**
- Despite a budget allocation of ₹1.56 crore for 2023-24, there has been **partial utilization, with potential spillover to the next financial year.**

- **Impact and Future Outlook:**

- The NMM is not only enhancing the **teaching abilities of mentee** teachers but also fostering a culture of continuous learning.
- The program ensures **that educators stay updated and relevant** in the dynamic educational landscape.
- Once approved by the **Ministry of Education, the mission is poised** to make a significant impact on the professional development of teachers nationwide.

4. **Proposed CBSE plan for Class 10 and Class 12**

GS 2 (Education)

- **Why in News:**

- The Central Board of Secondary Education (CBSE) has proposed significant changes to the academic framework for secondary and higher secondary education.
- The proposed changes form part of the CBSE's broader initiative to implement a national credit framework in school education.

- **What is the National Credit Framework (NCrF)?**

- Based on the **inter-ministerial committee** report, the Union Ministry of Education (MoE) unveiled the draft NCrF in 2022.
- The NCrF is a **set of guidelines** to be followed by schools, colleges and universities in adopting the credit system.
- It also brings the **entire school education** system under the ambit of credits for the first time.
 - So far, only the **National Institute of Open Schooling (NIOS)** followed a credit system. The NCrF also covers skill and vocational education.

NATIONAL CREDIT FRAMEWORK

CBSE plan: 3 languages, 7 other subjects in Class 10; 6 papers in Class 12

RRADHIKA
NEW DELHI, JANUARY 31

THE CENTRAL Board of Secondary Education (CBSE) is reported to have proposed significant changes to the academic framework for secondary and higher secondary education, including a shift from studying two languages to three in Class 10, with the requirement that at least two must be native Indian languages. Furthermore, students in Class 10 may now need to pass in 10 subjects, as opposed to the current requirement of five. Similarly, for Class 12, the pro-

posed changes involve students studying two languages instead of one, with the condition that at least one must be a native Indian language. Overall, they would have to clear examinations in six subjects instead of five to graduate from high school.

According to a detailed plan reviewed by *The Indian Express*, the proposed changes form part of the CBSE's broader initiative to implement a national credit framework in school education. Creditisation aims to establish academic equivalence between vocational and general education, facilitating mobility

CONTINUED ON PAGE 2

- The document lists **theoretical, applied sciences or vocational and skill disciplines** that can count towards credits earned during school education.
- **What are the Proposed Benefits of NCrF for Various Stakeholders?**
 - **Students:**
 - Establishing multidisciplinary and holistic education with **flexible curricula**.
 - Removing the distinction between arts, science, social sciences, commerce, etc.
 - Giving student credits for every academic/skill/experience.
 - Enhancing the **scope of core learning** to include foundational and cognitive both.
 - **Institutions:**
 - Promoting stronger collaboration between institutions.
 - Making credit mechanisms simpler and uniform.
 - Increasing focus on research and innovation.
 - Leveraging the institutional infrastructure.
 - **Government:**
 - NCrF is expected to assist the government to **increase the enrolment of students**.
 - Complementing the **demographic dividend** and transforming India into the **Skill Capital** of the World.
 - **Industry:**
 - NCrF will allow students to attain NSQF-approved foundational skills developed by industry and be **more employable**.
 - The provision of micro-credentials will allow integration of quick educational upgradation/up-skilling
- **What is the Significance of NCrF?**
 - Taking the vision of the National Education Policy (NEP) 2020, NCrF will –
 - Enable the **integration** of academic and vocational domains to ensure **flexibility and mobility** between the two. Thus, **mainstreaming skilling and vocational education**.
 - Enable students who have **dropped out** of mainstream education to re-enter the education ecosystem.
 - Promote **Recognition of Prior Learning** for workers who have acquired knowledge and skills informally through traditional family inheritance, work experience, or other means.
- **Key highlights**
 - **Proposed changes in class 10**
 - This includes a shift from studying two languages to three in Class 10, with the requirement that at least two must be native Indian languages.
 - Furthermore, students in Class 10 may now need to pass in 10 subjects, as opposed to the current requirement of five.
 - **Proposed changes in class 12**
 - For Class 12, the proposed changes involve students studying two languages instead of one, with the condition that at least one must be a native Indian language.
 - Overall, they would have to clear examinations in six subjects instead of five to graduate from high school.
 - **Aim behind the proposed changes**
 - The proposed changes form part of the CBSE's broader initiative to implement a national credit framework in school education.
 - At present, the standard school curriculum does not have a formalised credit system.
 - **Academic year and National learning hours**
 - As per the CBSE plan, **an academic year would be made up of 1200 notional learning hours**, which would translate to earning 40 credits.
 - **Notional learning** refers to a stipulated amount of time that an average student would need to spend in order to attain the specified outcomes.
 - In other words, each subject has been allotted a certain number of hours so that, in a year, a student spends a total of 1200 learning hours to be declared pass.
 - The hours will include both academic learning at school and non-academic or experiential learning outside the school.
 - **Credits earned to be stored in Academic Bank of Credits**
 - The scheme of studies has accordingly been tweaked to mention teaching hours and credits earned against each subject.
 - The credits earned by a student will be digitally stored in the Academic Bank of Credits and accessible through a linked Digilocker account.

5. President's Budget Session Speech

Recent events of importance

• Why in News:

- The Budget Session of Parliament, which is the last before the upcoming Lok Sabha elections, began with an address by President Droupadi Murmu to a joint sitting of both houses of Parliament.
- President Murmu began her address in Parliament recounting **the government's achievements for the year 2023-24**, from the passage of the Women's Reservation Bill, to India's 100+ tally at Asian Games.

• Sessions of Parliament:

- According to **Article 85(1)** of the Indian Constitution, the **President** shall from time to time summon each House of Parliament to meet at such time and place as he thinks fit.
 - However, **six months shall not intervene** between its last sitting in one session and the date appointed for its first sitting in the next session.
- In reality, **the power to convene a session of Parliament rests with the government** and the decision is taken by the Cabinet Committee on Parliamentary Affairs.
- As India does not have a fixed parliamentary calendar, **Parliament meets for three sessions** (by convention) in a year.
- **The longest, the Budget Session**, starts towards the end of January, and concludes by the end of April or first week of May.
 - The session (which starts with the presentation of the **Union Budget**) has a recess so that Parliamentary Committees can discuss the budgetary proposals.

• What is the Union Budget/ 'Annual Financial Statement'?

- **Article 112 of the Constitution** requires the government to present to Parliament a statement of estimated receipts and expenditure in respect of every financial year, from April 1 to March 31.
 - This statement is called the annual financial statement.
- It is divided into three parts - **Consolidated Fund, Contingency Fund and Public Account**.
 - For each of these funds, the government has to present a statement of receipts and expenditure.

• President Address:

- **Article 87** of the Constitution provides **two instances** when the President specially addresses both Houses of Parliament.
 - The President of India addresses both the Rajya Sabha and the Lok Sabha at the beginning of the first Session after each general election when the reconstituted lower house meets for the first time.
 - The President also addresses both the houses at the beginning of the first session of each year (Budget session).
- **The President's speech essentially highlights** the government's policy priorities and plans for the upcoming year and **provides a broad framework** of the government's agenda and direction.

• Highlights of the President's Budget Session Speech:

- **Stating that it was her first address in the newly built Parliament building**, President said the building was constructed during the beginning of the 'Amrit Kaal' and it has the essence of 'Ek Bharat Shrestha Bharat'.
- For her government the vision of developed India is not limited to economic prosperity alone, and equal importance is being given to **social, cultural, and strategic strengths**.
- The grand edifice of a developed India will stand on **four strong pillars** - youth power, women power, farmers and the poor and a big portion of tax has been utilised to empower them.
- **Congratulating the PM for the Women's Reservation Bill**, she hailed the members for the passage of the Nari Shakti Vandan Adhiniyam (women's reservation bill).
- **Listing the achievements of the government in the past year/s**, the president said –
 - India became the first nation to reach the south pole of the **Moon**.
 - The successful **G20 Summit** hosted by India strengthened the role of India in the world.
 - The country won more than 100 medals in the **Asian Games**.
 - People were hopeful of **construction of Ram Temple (Ayodhya)** for centuries and that dream has been fulfilled now.
 - People also wanted the **abrogation of Article 370** from Jammu and Kashmir. Now, Article 370 is also history.
 - This Parliament has made a strict law against **triple talaq**.
 - Defence production crossed the Rs 1 lakh crore mark.

• Economic Achievements Highlighted by the President:

BUDGET SESSION ADDRESS

From Ram temple to Art 370 abrogation, President lists govt accomplishments

LIZ MATTHEW
NEW DELHI, JANUARY 31

ASTORIA: A decade of development at the domestic level and could place the country as "a global superpower" during the period of upheaval in the global scenario, President Droupadi Murmu said on Wednesday as she addressed the joint session of Parliament ahead of the Lok Sabha elections.



President Droupadi Murmu

In her nearly 90-minute speech, President Murmu, who listed the achievements of the government in the past year, said that the government had achieved a historic milestone in the history of the country by constructing the Ram Mandir in Ayodhya. She said, "This was a matter of aspiration and faith for centuries of our countrymen and the resolution of this has been accomplished in a harmonious manner... For centuries, there was an aspiration to construct the Ram Mandir. Today it is a reality," she added.

"Over the past 10 years, India has witnessed several such tasks being accomplished in the national interest, for which the people of the country were waiting for decades. For centuries, there was an aspiration to construct the Ram Mandir. Today it is a reality. There were shades regarding the removal of Article 370 from J&K. Those are history now," she said.

It was the President's first address to the joint session in the Lok Sabha chamber of the new Parliament building. **PULL REPORT ON WWW.INDIANEXPRESS.COM**

plause and chants of 'Jai Shree Ram'. At one reference, even Congress leader Sonia Gandhi was seen clapping the president.

According to the President, the construction of Ram temple and abrogation of Article 370 were significant in the country's efforts to overcome the past challenges and creating momentum for the future.

Political speech to praise PM: Opp

New Delhi: The Opposition Congress Wednesday described President Droupadi Murmu's address to the members of both Houses of Parliament as a "political speech drafted only to praise the Narendra Modi government".

CH general secretary D Raja said the President's address has become an occasion to take the pulse of the Modi government. **END**

- Amid serious global crises, India emerged as the **fastest-growing major economy**, consistently maintaining a growth rate of **over 7.5%** for two consecutive quarters.
- The Indian economy used to be among the **“fragile five”** but was now moving in the right direction and at the right pace due to several reforms undertaken by the government.
- Earlier, the country's **rate of inflation** was in double digits which is now within 4% and in the last 10 years India has become **one of the top five economies from ‘Fragile 5’**.
- **India's exports have increased** from about \$450 billion to more than \$775 billion. India has become the **second-largest exporter of mobile phones** in the world.
- **FDI flows have doubled** and today India has a **Forex reserve** in excess of \$600 billion.
- **The sales of Khadi and Village Industries products** have increased by more than four times and the number of **people filing Income Tax Return has increased** from about 3.25 crore to about 8.25 crore.
- The Centre is also working with full commitment to **empower MSMEs, small entrepreneurs** and creating a suitable environment for them.

6. RBI action against Paytm

GS 3 (Economy)

• Why in News:

- The Reserve Bank of India barred Paytm Payments Bank Ltd from accepting fresh deposits and making credit transactions from March 2024.
- This decision essentially bars Paytm Payments Bank from offering all its core services — including accounts and wallets.
- While the action is technically not a cancellation of Paytm Payments Bank's licence, it practically constricts the company's operations to a great extent.

• Payments Bank

○ Background

- Based on the recommendations of the **Nachiket Mor Committee**, Payments Bank was set up by RBI in 2014.
- It was set up to operate on a smaller scale with minimal credit risk.

○ Objectives

- The main objective is to advance financial inclusion by offering banking and financial services to the unbanked and under-banked areas.
- It was set up to help the migrant labour force, low-income households, small entrepreneurs etc.

○ Payments bank in India

- India currently has 6 Payment Banks namely:
 - Airtel Payment Bank, India Post Payment Bank, Fino, Paytm Payment Bank, NSDL Payment Bank and Jio Payment Bank.

○ Features

- They are differentiated and not universal banks.
- These operate on a smaller scale.
- It needs to have a minimum paid-up capital of Rs. 100,00,00,000.
- Minimum initial contribution of the promoter to the Payment Bank to the paid-up equity capital shall at least be 40% for the first five years from the commencement of its business.

○ Activities that can be performed by the Payment Banks

- A payments bank is a financial services company that cannot accept more than ₹2 lakh in deposits per account.
- **It is not allowed to lend directly but can sell loan products.**
- It can promote other third-party loan products.
- Payments banks are permitted to make personal payments and receive cross border remittances on the current accounts.
- It can issue debit cards.

• News Summary:

- RBI has asked Paytm Payments Bank to stop accepting money in any customer account, including wallets and other prepaid instruments such as FASTags, or any other instrument from March 1.
- RBI attributed its action to persistent non-compliance and continued material supervisory concerns warranting further supervisory action.

• What does the RBI direction say?

- **Barred Paytm Payments Bank from offering practically all of its key services**
 - Paytm cannot accept deposits or top-ups in any customer account, prepaid instruments, wallets, FASTags, National Common Mobility Card (NCMC), etc. after February 29.
- **Account to be terminated**

RBI action against Paytm Payments Bank: probable causes, effects

SHALISHMA GEORGE MATHEW
15 JAN 2024, 11:00 AM (JANUARY 15)

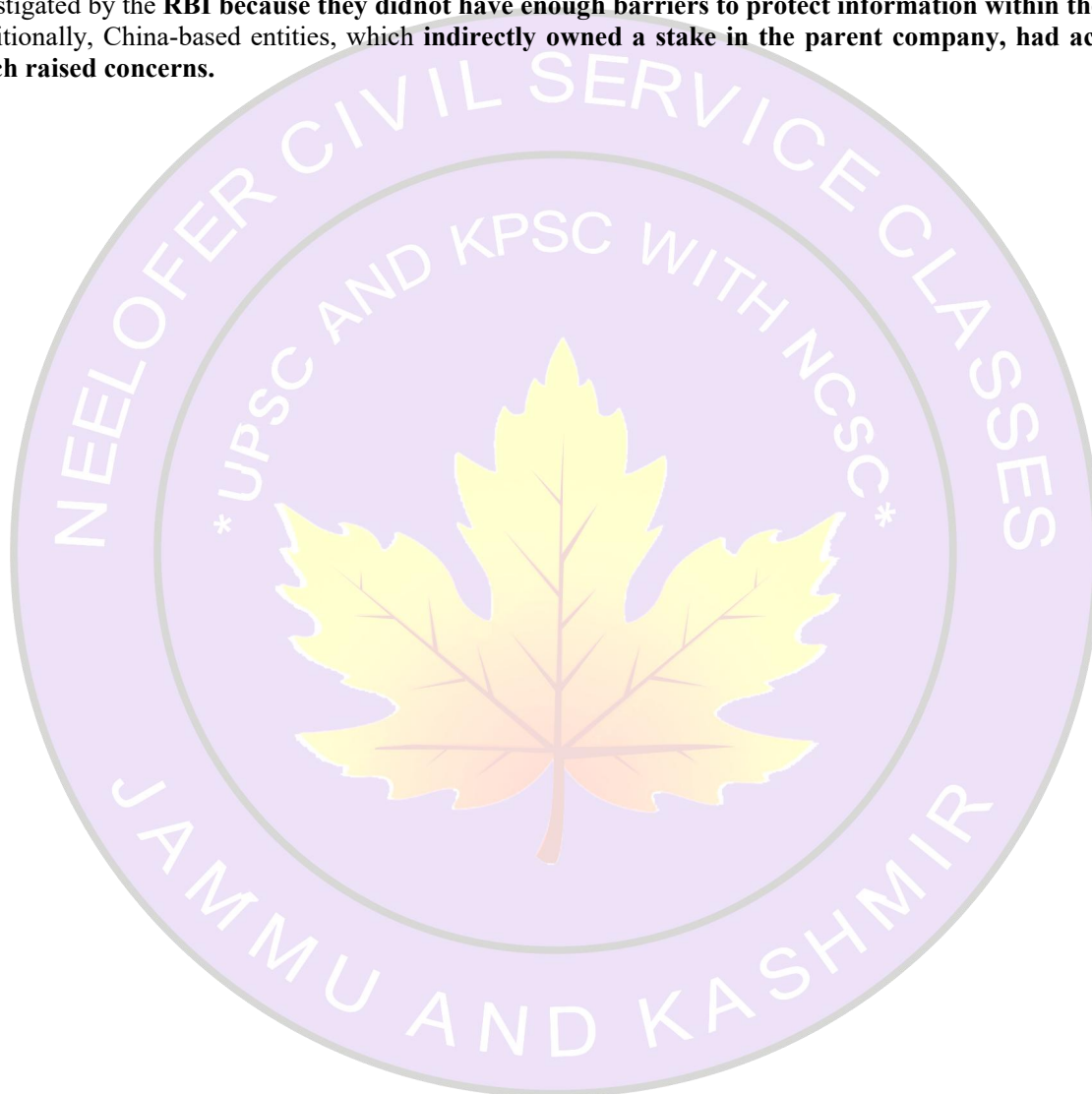
When the Reserve Bank of India (RBI) on Wednesday barred Paytm Payments Bank Ltd from accepting fresh deposits and making credit transactions from March 2024, it was a significant move. The RBI's action, which came after a long period of non-compliance and continued material supervisory concerns, was a clear signal that the bank's operations were under scrutiny. The RBI's decision was based on the recommendations of the Nachiket Mor Committee, which had set up the Payments Bank framework in 2014. The RBI's action was a response to the bank's failure to meet the regulatory requirements and its failure to address the concerns of the RBI. The RBI's action was a significant move, as it effectively barred Paytm Payments Bank from offering all its core services — including accounts and wallets. While the action is technically not a cancellation of Paytm Payments Bank's licence, it practically constricts the company's operations to a great extent.

What does the RBI direction say?
The RBI's direction, dated February 29, 2024, barred Paytm Payments Bank from accepting fresh deposits and making credit transactions from March 1, 2024. The RBI's action was a response to the bank's failure to meet the regulatory requirements and its failure to address the concerns of the RBI. The RBI's action was a significant move, as it effectively barred Paytm Payments Bank from offering all its core services — including accounts and wallets. While the action is technically not a cancellation of Paytm Payments Bank's licence, it practically constricts the company's operations to a great extent.

What are the probable causes of the RBI's action?
The RBI's action was based on the recommendations of the Nachiket Mor Committee, which had set up the Payments Bank framework in 2014. The RBI's action was a response to the bank's failure to meet the regulatory requirements and its failure to address the concerns of the RBI. The RBI's action was a significant move, as it effectively barred Paytm Payments Bank from offering all its core services — including accounts and wallets. While the action is technically not a cancellation of Paytm Payments Bank's licence, it practically constricts the company's operations to a great extent.

What are the effects of the RBI's action?
The RBI's action was a significant move, as it effectively barred Paytm Payments Bank from offering all its core services — including accounts and wallets. While the action is technically not a cancellation of Paytm Payments Bank's licence, it practically constricts the company's operations to a great extent.

- RBI said that nodal accounts of parent company One97 Communications and Paytm Payments Services should be terminated at the earliest, and not later than February 29.
- **Settlement of all pipeline transactions and nodal accounts**
 - Settlement of all pipeline transactions and nodal accounts—in respect of all transactions initiated on or before February 29—should be completed by March 15, and no transactions shall be permitted thereafter.
- **Customers are allowed to withdraw or use the money**
 - Customers can withdraw or use the money from their Paytm accounts, including savings and current accounts, prepaid instruments, FASTags, NCMC, etc., freely as long as they don't exceed their available balance.
- **Reasons behind this action**
 - Paytm Payments Bank has been facing RBI scrutiny since 2018.
 - While the central bank did not specify the exact reasons for the latest action against Paytm, experts believe it could be **due to the RBI's concerns on KYC compliance and IT-related issues.**
 - The central bank is against allowing any institution or banking entity to expose depositors' money to such risks.
 - It has been discovered that Paytm Payments Bank and its parent company, One97 Communications, were investigated by the **RBI because they did not have enough barriers to protect information within the group.**
 - Additionally, China-based entities, which **indirectly owned a stake in the parent company, had access to data, which raised concerns.**



2nd Feb, 2024

1. In a Pre-Election Budget, Stability -Not Political Gestures

GS 2 (Budget)

• Why in News:

- **Economic theory advocates for counter-cyclical fiscal strategies**, urging governments to boost spending during economic downturns and reduce it during recoveries.
- Considering the interim budget, **it is important to look into India's recent fiscal policies, highlighting the government's commitment to macroeconomic stability** and its implications for the country's economic growth.

• Challenges Faced by Indian Economy After the Covid-19 Pandemic

○ Heightened Debt-to-GDP Ratio

- **The fiscal landscape was significantly altered by absorbing economic losses during pandemic-driven lockdowns**, resulting in a nearly 10%-point surge in the debt-to-GDP ratio.
- **Recognising the implications of this heightened ratio, the government acknowledged the imperative for sustained fiscal discipline** to revert to pre-pandemic levels.

○ Prolonged Impact on Interest Costs

- Understanding that interest costs are reflective of past deficits, the fiscal scars from pandemic-driven spending are expected to persist.
- **The government acknowledges that these scars will continue to manifest in higher interest expenses**, underlining the necessity of a prolonged period of fiscal prudence

• Concerns Surrounding Deficit Financing and Liquidity

○ Sources of Deficit Financing

- The government's deficit financing primarily relies on two major sources: market borrowings through bonds and inflows to small-savings schemes.
- **Over the last decade, there has been a noteworthy rise in inflows into small-savings schemes, accounting for more than 2% of GDP.**

○ Unchanged Fiscal Deficit and Inflows

- Despite an unchanged fiscal deficit in absolute terms, **the government has witnessed a surge in inflows to small-savings schemes, surpassing initial expectations.**
- In FY24, inflows were nearly Rs 1.5 trillion ahead of expectations, yet the government, for FY25, assumes a decline in these flows.

○ Potential for Higher Cash Balances

- The conservative assumptions regarding inflows **might result in the government ending the fiscal year with a cash balance significantly higher than normal.**
- An excess of Rs 3 to 4 trillion in cash balances, as observed recently, raises concerns about unintended consequences on liquidity in the banking system.

○ Unintended Impact on Monetary Policy and Borrowing Rates

- **Higher government cash balances can lead to unintended liquidity stresses** in the banking system, impacting overnight borrowing rate
- This situation, where cash balances exceed normal levels, can potentially drive borrowing rates above the intended policy stance, offsetting some gains from fiscal discipline.

• The Government's Approach Highlighted in Interim Budget to Deal with Challenges Faced by Pandemic and Deficit Financing

○ Defying Expectations

- **The government's fiscal approach defies initial expectations**, as the fiscal deficit target of 5.1% of GDP for FY2024-25 is notably lower than even conservative economist projections ranging from 5.2% to 5.5%.
- **This unexpected restraint reflects a conscious effort to prioritize long-term economic health** over short-term political gains.
- **Long-Term Commitment**
- The Finance Minister's **commitment to lowering the fiscal deficit further, aiming for a target below 4.5% of GDP by FY2025-26**, signals a sustained dedication to fiscal responsibility.
- **This long-term perspective is crucial for unwinding the fiscal expansion prompted by the pandemic** and reinstating pre-Covid levels of economic stability.

○ Ambitious Reduction in Primary Deficit Ratio

- **Notably, the targeted primary deficit ratio for FY2024-25 is set at 1.5%, representing a deliberate reduction** compared to the primary deficit observed in FY20.

Stability over political gestures



NEELKANTH MISHRA

Government is dialing back its spending, marking an unwinding of pandemic-driven fiscal expansion

ECONOMIC THEORY SUGGESTS that governments should spend more when private firms find it difficult to do so and cut back when they are doing well. Over the last few decades, governments have followed this rule with varying degrees of success. In India, the government has been particularly successful in this regard, especially in the case of the pandemic.

However, the pandemic has posed a significant challenge to this theory. The government has been forced to spend heavily to support the economy, leading to a sharp increase in the fiscal deficit.

In the coming years, India should seek to undertake a revenue-based fiscal consolidation, given the rising expenditure needs of the economy (infrastructure, health, education, welfare etc.).

The interim budget was not the place to do it, but the post-election budget certainly will be. Direct tax reform that further boosts tax-GDP will be crucial for further consolidation. This must be complemented with a strategic asset sales programme. Given buoyant markets and rich valuations, this seems a fertile year to monetise assets and bring the deficit down while protecting expenditures.

The interim budget of the government (GDP) grows faster than the revenue (deficit). But the government's fiscal deficit is not as high as it was in FY20. The government has been able to bring the deficit down from 5.2% of GDP in FY20 to 5.1% in FY21. This is a significant achievement, especially in the context of the pandemic.

That year-on-year growth in capital expenditure (11 per cent) will continue to be faster than overall spending (6 per cent), as the government manages a large part of the increase in capital expenditure by cutting back on other spending.

As we saw in the interim budget, the government has been able to bring the deficit down from 5.2% of GDP in FY20 to 5.1% in FY21. This is a significant achievement, especially in the context of the pandemic.

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- The government's ambitious target for FY2025-26, aiming for a primary deficit of 0.8% of GDP, implies a comprehensive unwinding of fiscal measures initiated during the pandemic.
- Interest Costs and Fiscal Scars
 - The acknowledgment that interest costs reflect past deficits underscores the government's awareness of the long-lasting impact of fiscal decisions.
 - The nearly 10%-point increase in the debt-to-GDP ratio during the pandemic necessitates a prolonged period of fiscal discipline to mitigate the economic scars left by absorbing significant losses.
- Steps to Enhance the Quality of Spending and Debt-to-GDP Ratio
 - Enhancing the quality of spending is crucial to reduce the elevated debt-to-GDP ratio, allowing the state more flexibility to support growth in the event of unforeseen economic shocks.
 - The government aims to achieve this through a focus on capital expenditure, with a notable 11% year-on-year growth, signalling a commitment to long-term economic drivers.
- Credible Assumptions and Transparency
 - Credible assumptions underpin the budget, with a reasonable 10.5% nominal GDP growth assumption and consistent tax-to-GDP trends.
 - Improved transparency in budget numbers, including a reduction in extra-budgetary spending, contributes to a more reliable fiscal framework.
- Way Forward
 - Need for Fiscal Discipline
 - Fiscal discipline is deemed essential for an extended duration to witness a gradual reduction in the debt-to-GDP ratio.
 - The targeted fiscal deficit of 5.1% of GDP for FY2024-25, lower than anticipated, indicates a deliberate effort to curtail government spending and navigate the path towards fiscal sustainability.
 - A high debt-to-GDP ratio limits the government's ability to provide substantial support for economic growth in the event of unforeseen shocks.
 - The need for sustained fiscal discipline is thus not only a corrective measure for past excesses but also a proactive strategy to ensure resilience against potential economic vulnerabilities.
 - Need for Sensible Cash Management
 - Managing the surge in inflows and consequent cash balances requires a nuanced approach to prevent unintended consequences on monetary policy.
 - Sensible cash management becomes essential to strike a balance between maintaining economic stability and adhering to fiscal discipline.
- Conclusion
 - India's fiscal strategy reflects a delicate balancing act between stimulating economic growth, reducing debt, and maintaining macroeconomic stability.
 - While the government's commitment to fiscal discipline is commendable, careful consideration of deficit financing sources and managing liquidity concerns remains crucial for sustaining the positive trajectory of the economy.

2. Interim Budget 2024

GS 3 (Budget)

- **Why in News:** The Finance Minister Nirmala Sitharaman presented the Interim Union Budget for 2024-2025 in Parliament.
- **Vote on Account**
 - **Article 116 of the Constitution** allows the Lower House to make any grant in advance for the estimated expenditure for part of any financial year by voting and passing such a legislation. This is called vote on account.
 - A simple vote on account includes presenting the Centre's fund requirements for salaries, ongoing projects and other expenditure for the transitional period.
 - **It cannot make any changes to tax rates. It is also valid only for two months and can be extended up to four months.**
- **Interim Budget**
 - **Background: need for an interim Budget**
 - As per Article 112 of the Indian Constitution, annual financial statement is laid before both Houses of Parliament.
 - Annual financial statement is a statement of the estimated receipts and expenditure of the Government of India for a specific financial year.
 - The Centre seeks both Houses' approval to withdraw the necessary funds from the Consolidated Fund of India.
 - Hence, this statement has to be passed by both Houses.
 - However, in an election year, the incumbent Government cannot present a full Budget as there may be a change in the executive after the polls.
 - Hence, the need for an interim budget.

- **Constitutional provisions of interim Budget**
 - There is **no constitutional provision for an interim budget**.
 - Hence, the Centre chooses to seek the Lower House's approval for the funds required for the transition period (April - July) till the new government presents a full Budget— via the **votes on account provision**.
- **About**
 - In an interim budget, the Finance Minister presents the current state of the Indian economy, its fiscal status including India's revised estimated growth in the next year.
 - S/he will also detail the government's planned and non-planned expenditure and receipts.
 - While the Centre has to desist from announcing any major scheme which could influence voters or present an Economic Survey, the **government is allowed to revise tax rates via an interim budget**.
 - The interim budget too is presented to both Houses on February 1 by the Finance Minister, put to vote and then sent for Presidential approval.
 - Like the Union budget, the interim budget too is debated in the Lok Sabha before passage and is **valid for the entire year though it is merely a transition arrangement**.
- **Key highlights of the Interim Budget 2024-25**
 - **No change relating to taxation**
 - No change relating to taxation has been proposed in the Interim Budget.
 - The same rates for direct taxes and indirect taxes, including import duties, have been retained.
 - **Withdrawal of Outstanding direct tax demands**
 - The Minister announced to improve tax payer services which is in line with the government's vision to improve ease of living and ease of doing business.
 - The Interim Budget proposes to withdraw such outstanding direct tax demands:
 - up to Rs. 25000/- pertaining to the period up to financial year 2009-10 and
 - up to Rs. 10,000/- for financial years 2010-11 to 2014-15.
 - This is expected to benefit about a crore tax payers.
 - **Direct tax collections trebled**
 - Over the last 10 years the direct tax collections have more than trebled and the return filers swelled to 2.4 times.
 - The Govt has reduced and rationalised the tax rates due to which under the new tax regime there is no tax liability for tax payers with income up to Rs. 7 lakh.
 - The Minister also mentioned about **decrease in corporate tax rates** for existing domestic companies from 30% to 22%, and for certain new manufacturing companies to 15%.
 - The Government's focus has been to improve tax-payer services.
 - This has led to transformation of age-old jurisdiction-based assessment system, and filing of tax returns has been made simpler and easier.
 - **Average processing time of returns** has been reduced from 93 days in the year 2013-14 to a **mere ten days this year**.
 - **GST reduced compliance burden**
 - GST has reduced the compliance burden on trade and industry by unifying the highly fragmented indirect tax regime in India.
 - Mentioning about a recent survey conducted by a leading consulting firm, she said that **94% of industry leaders view the transition to GST as largely positive**.
 - **Tax base of GST has more than doubled and average monthly gross GST collection has almost doubled to Rs. 1.66 lakh crore this year.**
 - States' SGST revenue, including compensation released to states, in the post-GST period of 2017-18 to 2022-23, has achieved a buoyancy of 1.22.
 - The biggest beneficiaries are the consumers as reduction in logistics cost and taxes have brought down prices of most goods and services.
 - **Number of steps taken in customs to facilitate international trade**
 - The Minister said, over the last four years since 2019, the import release time declined:
 - by 47 per cent to 71 hours at Inland Container Depots,
 - by 28 per cent to 44 hours at air cargo complexes and
 - by 27 per cent to 85 hours at sea ports.
 - **Laying of White Paper**
 - The Minister announced that the Government will come out with a white paper, on '**where we were then till 2014 and where we are now, only for the purpose of drawing lessons from the mismanagement of those years**'.
 - A white paper is an official government document that provides detailed information, analysis, or proposals on a particular policy issue or matter of public concern.
 - White papers serve to explain complex topics, present government policies, and solicit feedback or discussion from legislators and citizens.
 - They are important tools for transparency, accountability, and policymaking in the Indian parliamentary system.
 - **Capital expenditure outlay for the next year**

- Capital expenditure outlay for the said period has been increased by 11.1 per cent to Rs **11,11,111 crore**, which would be **3.4 per cent of the GDP**.
- This is in the wake of building on the massive tripling of the capital expenditure outlay in the past 4 years resulting in huge multiplier impact on economic growth and employment creation.
- **Real GDP growth rate**
 - India's Real GDP is projected to grow at 7.3 per cent in FY 2023-24.
 - Indian economy has demonstrated resilience and maintained healthy macro-economic fundamentals, despite global economic challenges.
 - As per the IMF, **India is likely to become the third-largest economy in 2027**(in USD at market exchange rate).
 - It also estimated that India's contribution to global growth will rise by 200 basis points in 5 years.
 - Moreover, various international agencies such as the World Bank, the IMF, OECD and ADB project India to grow between 6.4 per cent, 6.3 per cent, 6.1 per cent and 6.7 per cent, respectively in 2024-25.
- **GST collection**
 - Strong growth in economic activity has imparted buoyancy to revenue collections and pointed out that GST collection stood at ₹1.65 lakh crore in December 2023.
 - This is the seventh-time that gross GST revenues have crossed ₹1.6 lakh crore benchmark.
- **Receipts and Expenditure**
 - In 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs 30.80 and 47.66 lakh crore respectively.
 - The tax receipts are estimated at Rs 26.02 lakh crore.
 - The Revised Estimate of the total receipts other than borrowings is Rs 27.56 lakh crore, of which the tax receipts are Rs 23.24 lakh crore.
 - The Revised Estimate of the total expenditure is Rs 44.90 lakh crore.
 - **The revenue receipts at Rs 30.03 lakh crore are expected to be higher than the Budget Estimate, reflecting strong growth momentum and formalization in the economy.**
- **Help extended to State Govts**
 - The scheme of **fifty-year interest free loan for capital expenditure to states** will be continued this year with total outlay of Rs 1.3 lakh crore.
 - A provision of **75000 crore rupees as fifty-year interest free loan** is proposed this year to support the milestone-linked reforms of Viksit Bharat by the State Governments.
- **Fiscal consolidation**
 - **To reduce fiscal deficit below 4.5 per cent by 2025-26**, the fiscal deficit in 2024-25 is estimated to be 5.1 per cent of GDP, adhering to that path.
 - Budget 2021-22 had announced to reduce the fiscal deficit below 4.5 per cent by 2025-26.
 - Similarly, the gross and net market borrowings through dated securities during 2024-25 are estimated at Rs 14.13 and 11.75 lakh crore respectively and both will be less than that in 2023-24.
- **FDI inflow**
 - **The FDI inflow during 2014-23 was USD 596 billion** marking a golden era and this is twice the inflow during 2005-14.
 - For encouraging sustained foreign investment, **govt is negotiating bilateral investment treaties** with foreign countries, in the spirit of 'first develop India'.
- **Achievement on the developmental aspects**
 - The Government has assisted 25 crore people to get freedom from multi-dimensional poverty.
 - **PM Mudra Yojana** has sanctioned **43 crore loans aggregating to Rs 22.5 lakh crore** for entrepreneurial aspirations.
 - Thirty crore Mudra Yojana loans have been given to women entrepreneurs.
 - **PM Awas Yojana (Grameen)** is close to achieving the target of three crore houses and two crore more houses will be taken up in the next five years to meet the requirement arising from increase in the number of families.
 - Similarly, through **rooftop solarization**, one crore households will be enabled to obtain up to 300 units free electricity every month.
 - **Pradhan Mantri Kisan Sampada Yojana** has benefitted 38 lakh farmers and generated 10 lakh employment.
 - **Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana** has assisted 2.4 lakh SHGs and sixty thousand individuals with credit linkages.
- **Promoting startups**
 - For tech savvy youth, a corpus of **rupees one lakh crore will be established with fifty-year interest free loan**.
 - The corpus will provide long-term financing or refinancing with long tenors and low or nil interest rates.
 - This will also encourage the private sector to scale up research and innovation significantly in sunrise domains.
- **Railways**
 - Three major economic railway corridor programmes will be implemented:
 - energy, mineral and cement corridors,
 - port connectivity corridors, and
 - high traffic density corridors.

- Moreover, forty thousand normal rail bogies will be converted to the Vande Bharat standards to enhance safety, convenience and comfort of passengers.
- **Aviation**
 - The number of airports have doubled to 149 and today five hundred and seventeen new routes are carrying 1.3 crore passengers.
 - Indian carriers have pro-actively placed orders for over 1000 new aircrafts.
- **Committee to study challenges arising from fast population growth**
 - The Government will form a **high-powered committee for an extensive consideration of the challenges arising from fast population growth and demographic changes**.
 - The committee will be mandated to make recommendations for addressing these challenges comprehensively in relation to the goal of 'Viksit Bharat'.

3. Government moots Rs.1 lakh-crore corpus for research and development in interim Budget

GS 3 (Budget)

- **Why in News:** The amount will be available on 'minimal or nil interest rates' to 'encourage' the private sector to invest in research and development in 'sunrise sectors'.
- **Boosting Research and Innovation: Finance Minister's Vision in the Interim Budget**
 - **A Commitment to Tech-Savvy Youth**
 - **India's tech-savvy youth:** In a bid to bolster research and innovation for **India's tech-savvy youth**, Finance Minister Nirmala Sitharaman, during her Interim Budget speech announced a significant corpus of ₹1 lakh crore.
 - **Encourage private sector investment:** The funds are poised to be available at minimal or nil interest rates to **encourage private sector investment** in research and development within sunrise sectors.
 - **Broad-Based Encouragement for Research**
 - **Public and private sectors investment:** The Finance Minister's initiative envisions both the **public and private sectors investing** in research and development, signaling a broad-based encouragement for advancements in technology and innovation. V.K. Saraswat, Member of NITI Aayog (science and technology), emphasized the positive aspects of the initiative.
- **Budget 2024 Updates**
 - **National Research Foundation Bill Clears Significant Hurdles**
 - **National Research Foundation Bill:** In 2023, the Science Ministry achieved a milestone by clearing the **National Research Foundation Bill**. Piloted by the Department of Science and Technology (DST), this bill outlines the establishment of an autonomous body with a corpus of Rs.50,000 crore.
 - Nearly Rs.36,000 crore is expected to come from the private sector and non-governmental sources, addressing the longstanding concern of limited private sector investment in core research and development.
 - **Uncertain Connection with the New Corpus**
 - **National Research Foundation (NRF):** It remains unclear whether the newly announced corpus of Rs.1 lakh crore has a direct connection to the **National Research Foundation (NRF)**.
 - Despite modest allocations to civilian science departments, the DST has provisioned Rs.2,000 crore in 2024-25 towards the NRF.
 - **Prioritizing Key Areas in Research Funding**
 - **Civilian science departments:** Budget allocations for **civilian science departments**, including the DST, the Department of Biotechnology, the Council of Scientific and Industrial Research, and the Ministry of Earth Sciences, witnessed modest increases.
 - **National Quantum Mission:** Notably, the **National Quantum Mission** secured RS.2,819 crore, reflecting a commitment to advancing quantum technologies.
- **New Scheme for Deep-Tech Technologies**

Centre moots ₹1 lakh-crore corpus for R&D

Jacob P. Koshy
New Delhi

Signalling a commitment to research and innovation for 'India's tech-savvy youth,' Finance Minister Nirmala Sitharaman, in her interim Budget speech on Thursday, mentioned a corpus of ₹1 lakh crore, that would be available on 'minimal or nil interest rates' to 'encourage' the private sector to invest in research and development in 'sunrise sectors.' It was not clear if this corpus was targeted at a specific Ministry or intended as a more broad-based 'encouragement' to research.

Experts said that while it was a 'welcome' development, it remained to be seen how the scheme would be implemented. "There are many possibilities at this juncture but I'm not aware of any specific discussions [on beneficiaries and implementation] and the ministries which will be involved. However, it is very good as it envisages both the public and private sector to invest in research and development," V.K. Saraswat, Member, NITI Aayog (science and technology), told *The Hindu*.

Among the significant steps taken by the Science Ministry in 2023 was clear-

The corpus would be available on minimal or nil interest rates to 'encourage' the private sector to invest in R&D in sunrise sectors.

A major long-standing concern of the government has been in getting private sector enterprises to invest in core R&D with nearly three-fourth of such expense now borne by the government.

The DST has provisioned ₹2,000 crore in 2024-25 towards the NRF. The National Quantum Mission, a much talked about scheme of the DST, has for the first time been provisioned ₹2,819 crore. Ms. Sitharaman mentioned, again without details, "A new scheme will be launched for strengthening deep-tech technologies for defence purposes and expedite 'atmanirbhar'."

- **Strengthening deep-tech technologies:** Finance Minister Sitharaman announced a new scheme aimed at **strengthening deep-tech technologies** for defense purposes and expediting 'atmanirbharta' (self-reliance).
- **Deep-tech start-ups:** The specifics of the scheme were not provided, but it underscores the commitment to fostering proprietary technologies in areas like artificial intelligence through **deep-tech start-ups**.
- **Budget Cuts and Explanation**
 - **Department of Biotechnology and the Ministry of Earth:** The **Department of Biotechnology and the Ministry of Earth** Sciences saw reductions in allocations, explained by budget spreads over multiple years and difficulties in spending the allotted amounts within the prescribed financial years.
 - However, the overall assessment of 'Research and Development' spending received a boost, with Rs. 13,208 crore allotted for 2024-25.
- **Way Forward:** The Interim Budget's emphasis on research and innovation signifies a strategic push towards technological advancements and self-reliance, with a keen focus on encouraging private sector participation in research and development. However, the success of the initiatives hinges on effective implementation and detailed execution plans yet to be unveiled.

4. Lakhpati didi scheme GS 2 (Governance)

- **Why in News:** Interim budget increases target for Lakhpati Didi scheme.

- **About Lakhpati Didi scheme**

- The **Lakhpati Didi Scheme aims to provide skill development training and financial assistance to women in self-help groups (SHGs)**, so that they can start and grow their own micro-enterprises and earn a sustainable income of at least one lakh rupees per annum per household.

Govt. raises *Lakhpati Didi* scheme target

Sreeparna Chakrabarty
NEW DELHI

Buoyed by its success, the Centre has decided to increase the target for 'Lakhpati Didi' scheme, which aims to train women self-help groups (SHGs) to earn a sustainable income of at least ₹1 lakh per annum by setting up micro-enterprises within their villages.

Finance Minister Nirmala Sitharaman, while pre-

sending the interim Budget for 2024-25, said the target for training 'Lakhpati Didi' would be increased from the existing 2 crore to 3 crore.

"Eighty-three lakh self-help groups with 9 crore women are transforming rural socio-economic landscape with empowerment and self-reliance. Their success has assisted nearly

one crore women to become *Lakhpati Didi* already," Ms. Sitharaman said. She said that there will also be expedition of the upgradation of Anganwadi Centres under "Saksham Anganwadi and Poshan 2.0" scheme for improved nutrition delivery, early childhood care and development. Accordingly,

the Saksham Anganwadi and POSHAN 2.0 programmes saw the highest allocation of funds at ₹21,300 crore, followed by the Mission Shakti, which has been given ₹3,145.97 crore.

The total allocation for the Women and Child Development Ministry for 2024-25 is ₹26,000 crore, a marginal increase of 2.52% from the previous year's Budget.



- According to the World Bank, only 20.5% of women in India participated in the labor force in 2019, compared to 76.1% of men. Moreover, the gender gap in literacy rate was 14.4% in 2018, with 74.4% of men and 60% of women being literate
- Under the lakhpati didi initiative, the government initial aim was to train two crore women.
- **Present Status-**
 - According to interim budget 2024 **Eighty-three lakh self-help groups with 9 crore women** are transforming rural socio-economic landscape with empowerment and self-reliance. Their success has assisted nearly one crore women to become Lakhpati Didi already.
- **Features of the scheme**
 - The scheme **targets women in rural areas**, who are members of SHGs under the **National Rural Livelihood Mission (NRLM)**, a poverty alleviation program that organizes rural poor women into SHGs and provides them with credit, capacity building, and market linkages.
 - The scheme provides **women with skill development training in various sectors**, such as agriculture, animal husbandry, handicrafts, food processing, beauty and wellness, plumbing, LED bulb making, and drone operation and repair.
 - The training is conducted by various agencies, such as the **National Skill Development Corporation (NSDC), the Ministry of Rural Development, and the Ministry of Skill Development and Entrepreneurship.**

- The scheme also provides women with **financial assistance in the form of interest-free loans of up to five lakh rupees**, which can be used to start or expand their micro-enterprises. The loans are disbursed through the SHG-bank linkage program, which enables SHGs to access formal credit from banks.
- The scheme also provides women with **mentoring and handholding support**, through the involvement of community resource persons (CRPs), who are trained and experienced women entrepreneurs from the same or nearby villages.
- The scheme also provides **women with market access and exposure**, by facilitating their participation in various fairs, exhibitions, and e-commerce platforms, where they can showcase and sell their products and services.

5. **One crore households to get 300 units free electricity every month through rooftop solarisation** **GS 2 (Governance)**

- **Why in News:** This measure would translate to benefits of ₹15,000-18,000 annually for households from free solar electricity and selling the surplus to distribution companies, says Finance Minister

• **Indian Government's Ambitious Rooftop Solar Initiative in Budget 2024**

○ **Empowering One Crore Households with Rooftop Solar Installations**

- Prime Minister Narendra Modi's promise to electrify one crore households via rooftop solar installations has been reiterated by Finance Minister Nirmala Sitharaman in the Interim Budget 2024-25.

○ **Financial Commitment and Scope**

- 300 units of free electricity:** Minister Sitharaman highlighted the commitment to provide **up to 300 units of free electricity every month through rooftop solarization**.
- Annual benefits:** This initiative is anticipated to bring **annual benefits of Rs.15,000-18,000 for households**, allowing them to **sell surplus power to distribution**
- Increase from the previous year:** The **budget for 2024-25 allocates Rs.4,555 crore**, a substantial increase from the **previous year's Rs.2,167 crore** expenditure on the rooftop solar power program.

○ **Current Scenario and Challenges**

- 11 GW of installed rooftop solar capacity:** India presently has **approximately 11 GW of installed rooftop solar capacity**, with a mere 2.7 GW in residential units and the rest in commercial or industrial spaces.

○ **Financial Incentives and Challenges**

- Funding of new installations:** The Finance Minister did not specify **whether the government would fund new installations or solely subsidize them**.
 - India's low uptake of rooftop solar systems is attributed to limited electricity consumption** and existing subsidies for coal-fired electricity, making even subsidized solar power comparatively expensive.
- **Viability Gap Funding for Offshore Wind Sector**

One cr. homes to get free power via solar panels

Households can obtain up to 300 units of power free a month; the initiative will translate to benefits of ₹15,000-18,000 annually for the households, says Union Finance Minister.

Jacob Kishor
NEW DELHI

Taking a cue from Prime Minister Narendra Modi's assurance following the Ayaz-e-Khasm temple consecration that one crore households will be electrified via rooftop solar installations, Union Finance Minister Nirmala Sitharaman in her Interim Budget reiterated that commitment.

"Through rooftop solarisation, one crore households will be enabled to obtain up to 300 units of free electricity every month, this would translate to benefits of ₹15,000-18,000 annually for households from free solar electricity, and selling of the surplus to the distribution companies," she said in her address.

The average all-India household consumption of electricity is about 100 units a month, say public data. The net-metering policy allows users of rooftop solar power to supply their



Green energy: For 2024-25, the Centre has budgeted ₹4,555 crore for rooftop solar programme, say Budget documents. A.I. PHOTO

surplus power back to the grid, thus offsetting their electricity bills. Whether the government would fund new installations or only subsidize those installing new ones, the latter has been a practice for years — and the demographic that the scheme was targeting was not specified by Ms. Sitharaman's address. Last year, the government spent ₹2,167 crore on its rooftop solar power programme, and for 2024-25, it has budgeted ₹4,555

crore, according to the Budget documents updated on Thursday.

At present, India has about 11 GW of installed rooftop solar capacity, of which only 2.7 GW is in residential units and the rest in commercial or industrial spaces. There is no centralised national estimate of how many of India's estimated 84 crore households have rooftop solar units. The Hindu reported last month citing estimates from experts, it is unlikely to be over 10 lakh.

Ms. Sitharaman also announced a 'viability gap funding' to support the capital-intensive offshore wind sector, of up to 1 GW capacity. These are wind farms located in the sea. Though no details or budgetary allocations were announced, it is expected to encourage private sector investments in the sector.

- i. **Viability gap funding:** Apart from the **rooftop solar initiative**, Sitharaman announced '**viability gap funding**' to support the capital-intensive offshore wind sector, up to 1 gigawatt capacity.
- ii. **Private sector investments:** This move is expected to **encourage private sector investments** in sea-based wind farms, tapping into India's potential 72 GW of offshore wind in Gujarat and Tamil Nadu.

• **Way Forward: Lack of Details Raises Questions**

- Despite these announcements, the Finance Minister did not provide **details on funding for new installations**, demographic targeting, or a specific timeline for the rooftop solar initiative.
- However, the **increased budget allocation** signals a significant push towards sustainable energy solutions in India.

6. **The problem of moving attention away from services**

GS 2 (Governance)

- **Why in News:** The perpetuation of inequalities is aggravated by the ongoing neglect of the social sector, especially considering the lack of lucrative employment opportunities and the imminent job crisis.
- **Poverty and Income**
 - **Multidimensional Poverty Claims:** The Finance Minister asserted that 25 crore people were lifted out of multidimensional poverty (MPI) in the last decade, but MPI's limitations were acknowledged.
 - **Misleading Income Growth Claims:** The Budget claimed a 50% average real income increase, but it was criticized for not addressing income distribution issues, with evidence suggesting stagnant real wages.
 - **Unsettled Employment Scenario:** Despite optimistic budget statements, the report highlighted distress in the job market, especially with a rise in agriculture employment and low wages under MGNREGS.
- **Demand and Allocations for Social Sector**
 - **MGNREGS Budget Discrepancies:** Despite high demand, MGNREGS faces issues, reflected in a higher Revised Estimate (RE) for 2023-24, indicating potential underfunding for the program.
 - **Stagnant Social Sector Budgets:** The allocations for social sector schemes, including education and health, saw nominal increases, but real-term reductions over the past decade persist, exacerbating inequalities.
 - **Neglect of Basic Services:** The Budget's focus on high-profile schemes neglects essential services like education and health, contributing to poor infrastructure and perpetuating social inequalities.
- **Aspirations vs. Realities**
 - **Unrealized Economic Well-being:** The Budget emphasized improved living and earning conditions, but evidence suggests depressed incomes for the majority, with women's increased participation potentially indicating distress.
 - **Divergence in Budget Claims and Ground Reality:** The Budget's positive tone clashes with poor growth in private consumption expenditure and the reversal of structural employment changes, pointing towards economic challenges.
 - **Inadequate Focus on Social Sectors:** Neglecting social sector development exacerbates inequalities, hindering India's true aspiration, especially in the absence of gainful employment opportunities and a looming job crisis.

The problem of moving attention away from services

In the absence of gainful employment opportunities, and the looming job crisis, the continued neglect of the social sector exacerbates the perpetuation of inequalities

It is a fact that the Finance Minister focused on the government's broad schemes over the last 10 years. The limitations of the MPI in estimating changes in poverty have been discussed extensively. For instance, the MPI does not tell us about the trends in income poverty, a useful indicator of economic wellbeing. While this used to be captured by the consumption expenditure survey of the National Sample Survey, no data on this are available for the period after 2010-12. The fourth or claim that the 'average real income of the people has increased by 50%' is also misleading. Average incomes are just that - average - and do not tell us much about how the lives of the poor changed. To know about the distribution of the majority of the people, what really matters is the distribution of the national income.

According to the last Economic Survey, the real per capita income in 2013-14 was ₹12,196 and increased to ₹16,572 in 2023-24. The adjusted estimate for 2023-24 places per capita income in 2013-14

cross people have been brought out of multidimensional poverty (MPI) in the last 10 years. The limitations of the MPI in estimating changes in poverty have been discussed extensively. For instance, the MPI does not tell us about the trends in income poverty, a useful indicator of economic wellbeing. While this used to be captured by the consumption expenditure survey of the National Sample Survey, no data on this are available for the period after 2010-12. The fourth or claim that the 'average real income of the people has increased by 50%' is also misleading. Average incomes are just that - average - and do not tell us much about how the lives of the poor changed. To know about the distribution of the majority of the people, what really matters is the distribution of the national income.

According to the last Economic Survey, the real per capita income in 2013-14 was ₹12,196 and increased to ₹16,572 in 2023-24. The adjusted estimate for 2023-24 places per capita income in 2013-14

show that the incomes of the poor are depressed. This is also reflected in the poor growth in private consumption expenditure. Structural change in employment is being reversed with the share of agriculture in total employment going up, which is an indication that there are not enough jobs available outside of agriculture. From the increase in women's labour force participation rate in the last 4-5 years seems to be a sign of distress, as most women are in unpaid family labour and not in gainful employment. The Budget speech, however, was full of spin: 'People are living better and earning better, with even greater aspirations for the future'.

The demand for jobs under MGNREGS is still high despite the low wages being given and the various bottlenecks in accessing the scheme. This is reflected in the fact that the per the revised estimate (RE) for 2023-24, the outlay for MGNREGS is ₹96,000 crore (compared to the budget estimate of ₹80,000 crore), which is also the budgeted allocation for FY2024. A number of estimates show that to meet the full demand and increase wages to at least minimum wage levels, much more would be needed.

Allocations for social sector
The budget allocations for most social sector schemes and departments remain more or less the same as last year. The allocations for school and higher education as well as the health and family welfare departments show some nominal increases compared to last year's RE, about 6-8%. Although expenditure of engaged centres was mentioned in the speech, the budget for education increased by ₹2,500 crore is slightly lower than the RE of ₹2,525 crore for 2023-24. The budget for PM-PDSAN school and day module is ₹1,400 crore compared to the RE of ₹1,200 crore for 2023-24. It must be remembered that in real terms, most of these schemes have seen reductions of 25-30% over the last 10 years. The allocation for the National Social Assistance Programme, which includes old age, widow and disability pensions, in nominal terms, was ₹20,000 crore in 2013-14 and now only ₹15,000 crore.

This approach of moving attention away from provision of services has also meant neglect of basic education, health, and nutrition services with all faces being diverted to correct high-profile visible schemes such as the Atal Tinkering School or sanitation. While these are important assets for the poor, it doesn't take away from the fact that health, education, and social security budgets remain woefully inadequate even as these services suffer from poor infrastructure, huge vacancies, and inadequate resources. In the absence of gainful employment opportunities, and the looming job crisis, the continued neglect of the social sector exacerbates the perpetuation of inequalities across generations. A truly aspirational India cannot stay away from this.

7. US-India Drone Deal

Recent events of importance

- **Why in News:** US State Department approves potential sale of 31 armed MQ-9B SkyGuardian drones.
- **MQ-9B SkyGuardian Drones**
 - Developed by **General Atomics Aeronautical Systems, Inc. (GA-ASI)**.
 - Next-generation RPAS with over **40 hours of satellite-enabled flight time** in all types of weather and safely integrate into civil airspace.
 - Equipped with **high-definition EO/IR sensor, multi-mode radar, precision-guided munitions, and dual VHF/UHF certified radios and nine hard points for external payloads**.
 - Wingspan of 79 feet, length of 38 feet, max take-off weight of 12,500 pounds, max speed of 210 knots, and max altitude of 40,000 feet.
 - Indian government has requested to buy **31 MQ-9B Sky Guardian aircraft**, 161 Embedded Global Positioning & Inertial Navigation Systems (EGIs), 35 L3 Rio Grande Communications Intelligence Sensor Suites, 170 AGM-114R Hellfire missiles, 16 M36E9 Hellfire Captive Air Training Missiles (CATM), 310 GBU-39B/B Laser Small Diameter Bombs (LSDB), and 8 GBU-39B/B LSDB Guided Test Vehicles (GTVs) with live fuses.
 - The other equipment included ground control stations, missile launchers, tactical training rounds, high frequency radios, and radars.
- **Importance for India:**
 - Addresses **diverse security challenges**, including terrorism, territorial disputes, and cyber threats.
 - **Counters China's naval expansion** in the Indian Ocean, bolstering maritime security and will help in surveillance of Chinese spy ships in the Indian Ocean.
 - Enhances **strategic autonomy** with long-range, persistent IS(Intelligence, surveillance and reconnaissance) capabilities which will enable India to monitor and respond to developments in its neighbourhood and beyond.
 - The drones will also augment **India's maritime security**, as they can conduct surveillance and reconnaissance patrols in the sea lanes of operation, track and target surface and sub-surface vessels, and support humanitarian assistance and disaster relief operations.
 - The drones will also complement India's existing and planned platforms, such as the P-8I maritime patrol aircraft, the Scorpene submarines, the Vikrant aircraft carrier, and the Rafale fighter jets.
- **Implications for US-India Partnership:**
 - The drone deal will **deepen and diversify the US-India partnership**, which has been elevated to a comprehensive global strategic partnership.
 - US grant India **major defense partner status**, facilitating access to advanced defense technology and equipment, such as MQ-9B drones.
 - The deal also indicates the **potential for further collaboration** between the two countries in the fields of defense industry, innovation, research and development, and co-production and co-development of defense hardware and software.
- **Contributions to Quad (US-India-Australia-Japan):**
 - Positive step for the Quadrilateral Security Dialogue (Quad).

Biden administration notifies U.S. Congress of 31 MQ-9B UAV sale to India

Dinakar Patel
NEW DELHI

The U.S. Congress was on Thursday formally notified of the possible sale of 31 MQ-9B high-altitude long-endurance armed Unmanned Aerial Vehicles (UAV) to India at an estimated \$3.99 billion. The development comes amid reports of a hold over the deal by the U.S. Congress over the Panun episode and concerns over India's "high-level" inquiry into the incident.

"The State Department has made a determination approving a possible foreign Military Sale to the Government of India of MQ-9B Remotely Piloted Aircraft and related equipment for an estimated cost of \$3.99 billion. The Defence Security Cooperation Agency (DSCA) delivered the required certification notifying Congress of this possible sale today," the DSCA said in a

The deliveries will begin three years from the signing of the contract, Defence officials stated

release. Detailing the process in response to a query, a U.S. Embassy Spokesperson said, "Congress now has 30 days to review the proposed sale. Upon conclusion of their review, India and the U.S. may conclude the sale with a Letter of Offer and Acceptance (LOA)."

As the UAVs would be armed, the deal also includes 170 AGM-114R Hellfire missiles; 16 M36E9 Hellfire captive air training missiles; 310 GBU-39B/B Laser Small Diameter Bombs (LSDB); and 08 GBU-39B/B LSDB guided test vehicles with live fuses among others.

The Defence Acquisition Council (DAC) had accorded the Acceptance of Ne-

cessity (AoN) for the procurement of 31 MQ-9B UAVs from General Atomics, 15 Sea Guardians for the Indian Navy, and 16 Sky Guardians – eight each for the Indian Army and Air Force, on June 15, 2023 and the MoD had stated that the AoN noted the estimated cost of \$3.072 million provided by the U.S. government. Following this, just ahead of the talks between Prime Minister Narendra Modi and U.S. President Joe Biden on the sidelines of the G-20 summit, MoD issued the Letter of Request to the U.S. Government.

A formality
Defence officials had stated earlier that the deal could be concluded this year and deliveries begin three years from the signing of the contract. Earlier, officials on both sides had expressed confidence that the Congressional approval is a formality.

- Strengthens coordination on maritime security, counter-terrorism, cyber security, and joint military exercises.
- Enhances India's interoperability and coordination with Quad partners.
- The MQ-9B drones will enable India to contribute more effectively to the Quad's objectives and activities, and to strengthen its interoperability and coordination with its partners.

8. Tax buoyancy helps Centre Align with its Fiscal Consolidation Roadmap

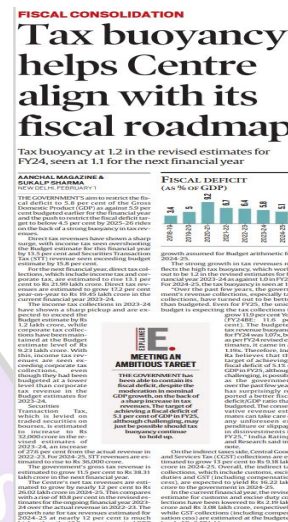
GS 3 (Economy)

• Why in News:

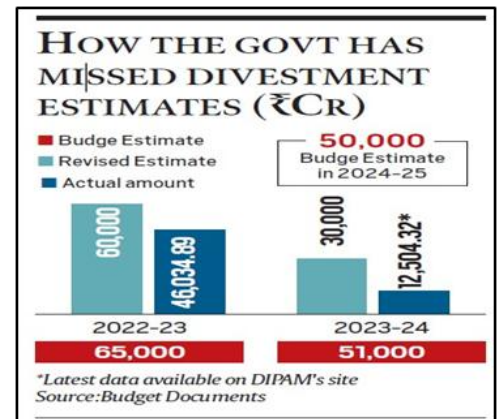
- With the 'mantra' of 'Sabka Saath, Sabka Vikas, and Sabka Vishwas' and the whole of nation approach of "Sabka Prayas", the Union Minister for Finance presented the Interim Union Budget 2024-25 in Parliament.

• Tax buoyancy helps Centre Align with its Fiscal Consolidation Roadmap:

- **The government's aim:** To restrict the fiscal deficit to 5.8% of the GDP as against 5.9% budgeted earlier for the financial year and to restrict the fiscal deficit target to below 4.5% by 2025-26.
- **How?** By riding on the back of a strong buoyancy in tax revenues. **Tax buoyancy** is defined as the ratio of change in taxes to GDP. Higher tax buoyancy suggests that tax revenue would increase at a quicker rate than income growth.
- **Direct tax revenue:**
 - Direct tax revenues are estimated to **grow 17.2% year-on-year to Rs 19.45 lakh crore** in the current financial year 2023-24.
 - **For the next financial year**, direct tax collections, which include income tax and corporate tax, are estimated to **rise 13.1% to Rs 21.99 lakh crore**.
- **On the indirect taxes side:**
 - Central Goods and Services Tax (CGST) collections are estimated to grow 13% to Rs 9.18 lakh crore in 2024-25.
 - Overall, the indirect tax collections, which include customs, excise duties and GST (including compensation cess), are expected to yield **Rs 16.22 lakh crore** to the government in 2024-25.
- **What does this indicate?**
 - The growth rate for tax revenues estimated for 2024-25 at nearly 12% (net) is much higher than the 10.5% nominal GDP growth assumed for Budget arithmetic for 2024-25.
 - The strong growth in tax revenues reflects the **high tax buoyancy**, which works out to be 1.2 for FY 2023-24 as against 1.0 in FY23. For 2024-25, the tax buoyancy is seen at 1.1.
 - **These revenue estimates can take care of any unforeseen expenditure or slippage in disinvestments in FY25.**
- **Tax Resolution Scheme to Benefit over One Crore:**
 - **In a relief to tax-payers grappling with outstanding tax demands**, the Finance Minister announced a resolution for "disputed direct tax demand" dating back to 1962, the year of enactment of the Income-Tax Act.
 - Under this, the government has decided to withdraw outstanding direct tax demands up to Rs 25,000 for the period up to financial year 2009-10 and up to Rs 10,000 for financial years 2010-11 to 2014-15.
- **Centre to Follow a 'Calibrated' Approach to Divestments in FY25:**
 - **The calibrated approach:** The government has estimated it will get Rs 50,000 crore in 2024-25 in the form of 'miscellaneous capital receipts' without mentioning the word disinvestment.
 - **Need for a calibrated approach:**
 - The government is taking care of the **(governance, development and performance)** with respect to CPSEs.
 - **If we look at CPSEs' performance** - whether it comes to capex of Rs 3.2 lakh crore, their growth story, their investments in green energy, their performance on return on capital employed and equity - they are big market players.
 - They will continue to improve and reward shareholders including the government.
 - **Future plans:** Strategic sale of CPSEs like BEML, SCI, HLL Life Care, NMDC Steel, and IDBI Bank is expected to be completed in the current financial year, although analysts believe it could come to fruition only after the General Elections later this year.
- **Rooftop Solar Scheme - Households to get 300 Units Free Power:**
 - **The Pradhan-mantri Suryodaya Yojana** (announced by the PM on January 22):
 - People availing the newly-announced rooftop solar scheme will be entitled to **300 units of free electricity** every month.
 - This will help them save up to Rs 18,000 annually by getting free solar electricity and by selling the surplus power to the distribution companies.
 - The PM announced that rooftop solar systems would be installed in **"one crore houses"**, without specifying a timeframe for the target to be achieved.



- The Finance Minister said the **scheme would also help the adoption of electric vehicles (EVs)** by providing charging stations at home.
- The scheme was also expected to result in **entrepreneurship and employment opportunities** in supplies, installation and maintenance.
- **Need for the new scheme:**
 - The new scheme **adds on to an ongoing rooftop solarisation programme** running for at least a decade now.
 - **About 40% or 40 gigawatts (GW)** of the government's initial target of setting up 100 GW of solar capacity by 2022 was meant to be through rooftop systems.
 - However, by 2023 end, the country's total solar capacity stood at **73.3 GW**, of which grid-connected rooftop systems comprised only about **11 GW or 15%**.
- **Rs 1 Lakh Crore Corpus to Incentivise R&D in Private Sector:**
 - In a significant initiative **to incentivise R&D in the private sector**, the Finance Minister announced the establishment of a financial corpus of Rs 1 lakh crore that will provide **low-cost or zero-interest loans** for research and innovation.
 - The private companies could avail of interest-free loans for **up to 50 years** (long-term financing or refinancing facility) through this new mechanism.
 - This will encourage the private sector to scale up research and innovation significantly in **sunrise domains**.
 - The new fund is in **sync with the government efforts to encourage private sector involvement** in research activities.
 - Last year, it had set up a **National Research Foundation (NRF)** whose main objective is to significantly improve, both in qualitative and quantitative terms, the country's research output.
 - The NRF earmarks a spending of Rs 50,000 crore on research activities over the next five years.
 - More than 70% of this money is envisaged to come from the private sector.



3rd Feb, 2024

1. Exposing India's Financial Markets to the Vultures

GS 3 (Economy)

- **Why in News:**
 - In recent times, **the global financial landscape has witnessed significant developments**, particularly in the integration of emerging economies' **government bonds into global indices**.
 - Amid these developments it becomes **imperative to have an assessment of the notable instances involving J.P. Morgan, Bloomberg, and FTSE Russell's moves to incorporate Indian local currency government bonds (LCGBs) into global indices**.
 - It is **important to explore the motivations, potential benefits, and risks associated with such initiatives**.

- **The Process of Opening Local Bond Market**

- The process of opening local bond markets to foreign investors **represents a strategic initiative undertaken by emerging economies to enhance their global financial integration.**
- **In the case of India, this journey started in 2019, with significant strides made by 2020 through the introduction of the fully accessible route (FAR).**
- **Despite encountering obstacles, such as delays attributed to the government's stance on capital gains taxes and local settlement, the fundamental policy remained unaltered, demonstrating a commitment to fostering global financial inclusivity.**

- **Significance of J.P. Morgan's Step to Include Indian Local Currency**

- **P. Morgan's unveiling of its plan in September 2023 to include Indian LCGBs in its Government Bond Index-Emerging Markets (GBI-EM) Global index suite served as a catalyst.**
- **This move not only signalled a significant recognition of India's financial standing but also elevated expectations across the Indian financial landscape.**
- **It prompted anticipation from other influential index providers such as Bloomberg-Barclays and FTSE Russell.**
- **The subsequent announcement by Bloomberg Index Services in January 2024 to include India's fully accessible route (FAR) bonds in the Bloomberg Emerging Market Local Currency Index added further momentum.**
- **The attention now turns to FTSE Russell, emphasising the growing influence and anticipation of reforms in India's government bond market.**

- **Benefits of Internationalising Bond Markets**

- **Reduced Dependence on Domestic Institutions**
 - By integrating local currency government bonds into global indices, **emerging economies like India aim to diminish their dependence on domestic financial institutions.**
 - This reduced reliance on domestic sources for capital can provide a diversified funding base, contributing to financial stability.
- **Greater Stability in Funds Tracking Indices**
 - Inclusion in global indices **can lead to a more stable influx of funds and unlike short-term speculative flows,** funds tracking indices often exhibit a longer investment horizon.
 - This **stability can be instrumental in mitigating volatility in local financial markets,** providing a more secure environment for both domestic and foreign investors.
- **Decline in Cost of Public Borrowing**
 - The influx of funds into local currency government bonds **can lead to a decline in domestic interest rates.**
 - As global investors participate in these markets, **the increased demand for local bonds may exert downward pressure on interest rates.**
 - This, in turn, reduces the cost of public borrowing for the government.
- **Relief for Local Financial Institutions**
 - Increased participation by foreign investors in local bond markets can alleviate the balance sheets of local financial institutions holding these bonds.
 - As foreign investors absorb a portion of the bonds, local institutions may find increased liquidity, potentially leading to more lending and private investment.
- **Mitigating Original Sin**
 - One of the key benefits is mitigating the **"original sin" problem faced by emerging economies.**
 - **'Original Sin'** is the inability of emerging economies to borrow internationally in their own currencies.

Exposing India's financial markets to the vultures

In September 2013, J.P. Morgan unveiled its plan to include India-based currency assets in its Emerging Markets (EM) Index. The Government Bond Index (EMGBI) is the first EMGBI-Global Index suite, set to become effective from June 2014. This announcement heightened expectations across the Indian financial landscape, generating an optimism from their influential index providers such as Bloomberg Barclays and FTSE Russell. About four months later, on January 8, 2014, Bloomberg Barclays announced J.P. Morgan's move by including India in the EMGBI suite. The EMGBI suite is managed by J.P. Morgan's Emerging Market Local Currency Index, set to take effect in September 2014. The spotlight now turns to FTSE

process that began in 2008 (Latham) commenced the process of incorporating its settlement bonds into global indices in 2009. As part of this initiative, by 2010, a segment of investment funds became the first to include sovereign bonds without conditions, thanks to an introduction of the ISAE. Despite outstanding delays linked to the government's unwillingness to accept an audit of its debt, the international policy remained unscathed. The negotiations are expected to continue; the next moves by J.P. Morgan and Hohenberg include a potential inclusion of the Indian LGFV investment bonds as bonds in most benchmark indexes.

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- By issuing bonds in their own currencies, rather than borrowing in reserve currencies, **these countries shift the exchange rate risk onto international lenders, potentially avoiding widespread private insolvencies during sharp currency declines.**
- **Risks Associated with Internationalisation of Bond Markets**
 - **Loss of Autonomy and Greater Interest Rate Risks**
 - i. One of the significant risks associated with internationalising bond markets is the **potential loss of autonomy in controlling long-term interest rates.**
 - ii. **Emerging economies become more susceptible to global interest rate fluctuations**, which can adversely affect their domestic bond markets and overall economic stability.
 - **Exchange Rate Volatility and Spillover Effects**
 - i. Increased participation by foreign investors **exposes local currency bond markets to exchange rate volatility.**
 - ii. In times of global risk aversion or liquidity challenges, **adverse spillover effects can occur.**
 - iii. Instances such as **the Lehman collapse in 2008 and the recent normalisation of U.S. monetary policy highlight the vulnerability of emerging economies to global market conditions.**
 - **Volatility in Local Currency Bond Inflows**
 - i. In Malaysia, during 2014-15, the rapid exit of investors from local currency assets, including bonds, resulted in large reserve losses and sharp declines in the ringgit, pushing it to below the levels seen during the Asian crisis.
 - ii. In Turkiye, where macroeconomic imbalances were much more serious, foreigners totally left the bond market after Spring 2018, and reserve losses and currency declines were aggravated as unhedged local forex debtors joined in to avoid exchange rate losses.
 - iii. Sudden stops and exits, as witnessed in Malaysia and Turkey, **highlight the unpredictable nature of these capital flows and the potential for rapid fluctuations in the market.**
- **The RBI's Broader Effort and IDG Report**
 - **Integration of Indian LCGBs into Global Bond Indices**
 - i. The RBI's journey towards internationalisation began in October 2022 with a report by the **Inter-Departmental Group (IDG).**
 - ii. This report details efforts to integrate Indian local currency government bonds (LCGBs) into global indices.
 - iii. **Diversification of Funding Sources**
 - iv. **The move to include Indian LCGBs in global indices is not solely about attracting foreign capital but also about diversifying funding sources.**
 - v. The IDG report emphasises the need to reduce dependence on domestic institutions and tap into large international resources.
 - **Enhancing Stability and Allocation of Investment**
 - The report **underscores the potential benefits of including LCGBs in global indices, such as enhancing the stability of funds tracking these indices.**
 - Stability in funds can contribute to a more predictable investment environment, attracting long-term investors and improving the allocation of investment within the Indian financial market.
 - **Rupee Internationalisation Beyond Bond Markets**
 - The IDG report places the integration of LCGBs into global indices as just one facet of a broader effort to internationalise the Indian rupee.
 - **Another crucial element involves permitting banking services in the rupee (INR) outside the country.**
- **Way Forward**
 - **Need a Balancing Act**
 - While the opening of local bond markets brings about numerous opportunities, it **requires a delicate balance.**
 - Countries need to **strike a balance between attracting foreign capital and managing potential risks.**
 - **Lessons from Malaysia and Turkey**
 - **The lessons from Malaysia and Turkey highlight the importance of proactively managing offshore markets to prevent excessive speculation and maintain currency stability.**
 - **These experiences underscore the need for regulatory vigilance, timely interventions, and a balanced approach to fostering internationalization while safeguarding macroeconomic stability.**
- **Conclusion**
 - The process of opening local bond markets is a **pivotal step for emerging economies seeking greater integration into the global financial landscape.**
 - **The recent developments involving J.P. Morgan, Bloomberg, and FTSE Russell highlight the growing recognition of India's financial market potential.**
 - As India embarks on this journey, **it must navigate the complexities, carefully balance risks and benefits, and adapt to the evolving global financial landscape to ensure long-term success and stability.**

2. PM rooftop solar scheme

GS 2 (Governance)

- **Why in News:** Renewed thrust to increase adoption of household rooftop solar systems (h-RTS) via the Pradhan Mantri Suryodaya Yojana.
- **About the Scheme:**
 - Rooftop solar panels are photovoltaic panels installed on the roof of a building that is connected to the main power supply unit.
 - It reduces the consumption of grid-connected electricity and saves electricity costs for the consumer.
 - Surplus solar power units generated from the rooftop solar plant can be exported to the grid as per the metering provisions.
 - The consumer can receive monetary benefits for the surplus exported power as per the prevailing regulations
- **Related Government Initiatives:**
 - In 2014, the government launched the Rooftop Solar Programme that aimed to achieve a cumulative installed capacity of 40,000 megawatts (MW) or 40 gigawatts (GW) by 2022.
 - However, this target could not be achieved. As a result, the government extended the deadline from 2022 to 2026.
 - According to some reports, the Pradhan Mantri Suryodaya Yojana seems to be an attempt to help reach the target of 40 GW rooftop solar capacity.
- **India's Solar Capacity**
 - **Rooftop Solar Capacity:**
 - Total rooftop solar installed capacity is around 11.08 GW as of December 2023.
 - Gujarat tops the list with 2.8 GW, followed by Maharashtra by 1.7 GW.
 - According to a recent report by Council on Energy, Environment and Water (CEEW), only 20% of rooftop solar capacity installations are in the residential sector, with the majority in commercial and industrial sectors.
 - The report suggests that India's 25 crore households could deploy 637 GW of solar energy on rooftops, and just one-third of this could meet the entire residential electricity demand in the country.
 - **Total Installed Capacity:**
 - According to the Ministry of New and Renewable Energy solar power installed capacity in India has reached around 73.31 GW as of December 2023.
 - In terms of total solar capacity, Rajasthan is at the top with 18.7 GW. Gujarat is at the second position with 10.5 GW.
 - When it comes to rooftop solar capacity, Gujarat tops the list with 2.8 GW, followed by Maharashtra by 1.7 GW.

Centre likely to foot bill for PM rooftop solar scheme

It will enable 1 cr. families to get up to 300 units of free electricity every month; the scheme could potentially cost at 11 lakh crore; PSUs to take up responsibility of powering beneficiary households

By Anshu Kishor

A part of a renewed thrust to increase adoption of household rooftop solar systems (h-RTS) through the Pradhan Mantri Suryodaya Yojana, the Centre is likely to bear the entire cost of setting up such systems for households that consume less than 300 units of electricity a month.



Setting up the installation of h-RTS and much has to be done to get the government and citizens for installing rooftop solar panels in India's 5.5 crore

the concentration ceremony in rooftop last month

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Law panel suggests retaining criminal defamation provision

The Hindu Bureau
NEW DELHI

The 22nd Law Commission has recommended that criminal defamation should be retained within the scheme of criminal laws in India, the Law Ministry said on Friday.

The panel submitted its report to the Ministry on Thursday. In its report, the Law Commission argued that the right to reputation is derived from Article 21 of the Constitution that guarantees the right to life and personal liberty and that is why it has to be protected.

"Reputation is something which can't be seen and can only be earned. It's an asset which is built in a lifetime and destroyed in seconds. The whole jurisprudence around the law on criminal defamation has the essence of protecting one's reputation

and its facets," it said.

The matter was referred to the law panel by the Ministry in August 2017. Noting that it could be argued that criminal prosecution stands opposed to the freedom of speech and expression, the law panel advised exercising caution.

"Speech ought to be illegal only where it is meant to do substantial harm and when such harm materialises," the panel cautioned.

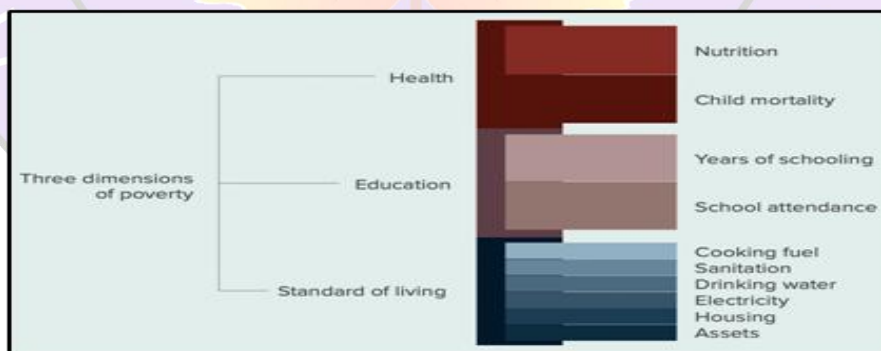
Referring to the issue of punishment, it said the Bharatiya Nyaya Sanhita has added a provision of community service as an additional punishment. "This law gives a balancing approach, wherein it has safeguarded the interest of the victim and has also neutralised the scope of misuse by giving an alternate punishment of community service," it said.

- This Commission was created for a period of three years and this practice has persisted ever since then, resulting in the reconstitution of Law Commissions every three years via executive orders.
- The **executive orders** that constitute the Law Commissions also **specify their scope and purpose**, and thus these fluctuate periodically.
- Since then, twenty one more Law Commissions have been constituted, each with a three-year term and with certain terms of reference.
- The Law Commission has taken up various subjects on references made by Department of Legal Affairs, Supreme Court and High Courts.
- The **Twenty Second Law Commission** has been notified with effect from 21st February, **2020 for a term of 3 years**.

4. Multidimensional poverty - meaning, numbers

GS 3 (Economy)

- **Why in News:** In her Interim Budget speech, Finance Minister Nirmala Sitharaman said 25 crore Indians had been pulled out of poverty over the past decade.
- **Multidimensional Poverty**
 - A person who is poor can suffer multiple disadvantages at the same time – for example they may have poor health or malnutrition, a lack of clean water or electricity, poor quality of work or little schooling.
 - Focusing on one factor alone, such as income, is not enough to capture the true reality of poverty.
 - Multidimensional Poverty is a **measure of poverty that captures deprivations in education and access to basic infrastructure in addition to income or consumption at the \$2.15 international poverty line** (as per World Bank).
 - The World Bank defines the international poverty line at USD 2.15 (in 2017 purchasing power parity terms) daily to measure monetary value.
- **Global Multidimensional Poverty Index:**
 - **About**
 - The global Multidimensional Poverty Index (MPI) is a key international resource that measures **acute multidimensional poverty** across more than 100 developing countries.
 - The MPI is published by the **Oxford Poverty and Human Development Initiative (OPHI)** and the **UNDP's Human Development Report Office**.
 - The Index tracks deprivation across the following 3 dimensions and 10 indicators:



- The MPI ranges from **0 to 1**, and higher values imply higher poverty.
- According to the MPI method, **if a person is deprived in a third or more of 10 (weighted) indicators, they are identified as “MPI poor”**.
- **India and Global MPI 2023**
 - According to the 2023 Global MPI, India lifted 415 million people out of poverty between 2005-06 and 2019-21.
 - India is one of 25 countries that have successfully halved their global MPI values within 15 years.
- **Comparison of Global MPI with India's National MPI**
 - **NITI Aayog** had published the first edition of national Multidimensional Poverty Index for India in
 - The **Indian MPI has two additional indicators:**

Escaped Multidimensional Poverty (2013-14-2022-23)		
	Estimated in lakh	
Bihar		377.09
Madhya Pradesh		230.00
Maharashtra		159.07
Odisha		102.78
Rajasthan		187.12
Uttar Pradesh		593.69
West Bengal		172.18
INDIA		2,482.16

- maternal health (under the health dimension) and
- bank accounts (under the standard of living dimension)
- This has been done, according to the NITI Aayog, to align the MPI with India's national priorities.
- Basis for this assessment**
 - This number appeared in a discussion paper, **Multidimensional Poverty in India Since 2005-06**, published by NITI Aayog in January 2024.
 - As per the paper:
 - multidimensional poverty in India was found to decline from 29.17% in 2013-14 to 11.28% in 2022-23 with about 24.82 crore people escaping poverty during this period.

5. The crime of piracy, and how maritime forces respond to it

GS 2 (Security)

- Why in News:** The Indian Navy foiled a piracy attempt on an Iranian-flagged fishing vessel, FV Omaril, off the east coast of Somalia on February 2.

Maritime crime of piracy

About

- As per the UN Convention on the Law of the Sea (UNCLOS) from 1982, maritime piracy is when people on a private boat or ship commit crimes like kidnapping, violence, or robbery for personal gain.
- In other words, the term 'piracy' is used to describe a range of crimes from petty theft from ships at sea or anchorage to armed robbery and hijacking of a ship for ransom.

Cause of concern

- It causes panic in maritime business and leads to the establishment of high-risk areas, and a resultant increase in maritime insurance premiums.
- It also affects the safety of ships and seafarers, and disrupts global supply chains.

Role of maritime forces in anti-piracy response

- They maintain a visible presence that aims to deter pirates from carrying out attacks.
- Their ships and aircraft undertake surveillance of the high-risk area, identify suspect vessels, and report them for further investigation.
 - This is supported by information fusion centres ashore.
- They warn passing ships about suspect vessels and announce escort schedules.
 - This enables merchant ships transiting the high-risk area to join convoys between designated points.
- They proactively or reactively intervene to manage a developing situation, foil a piracy attempt, or rescue a hijacked vessel.

Challenges in handling captive pirates

- National laws are often inadequate to deal with apprehended pirates, and **there is no effective international legal mechanism** for their trial and disposal.
- The many nationalities, countries, maritime zones, flag states, etc. involved raise complex jurisdictional issues.
- Hence, captured pirates are usually disarmed, and their boats are drained of fuel and set adrift so that they are unable to undertake further attacks.
 - However, they often find their way back ashore to return to piracy another day.

Combating piracy needs a long-term solution

- A long-term solution to the problem of piracy lies in **rooting out misgovernance and unemployment in nations ashore**, which feed maritime criminal activities.
- Till that happens, piracy will recur periodically and maritime forces will have to work to ensure mercantile peace.

Increase in the incidents of piracy

About

- In recent years, waters off the west coast of Africa, Gulf of Aden, Horn of Africa, Bangladesh, and the Strait of Malacca have seen attacks by pirates.
- Over the past few weeks, there has been a sudden increase in piracy incidents in the Northern Indian Ocean region and the Western Arabian Sea.

Reasons

- These sea areas are poorly policed. The coastal countries have **weak maritime forces, or none at all**.
- These areas normally have concentrations of shipping traffic.
 - They might be places where ships have to slow down because of the geography (choke points) or places where ships wait before going into ports.
- Poor governance or turmoil on land close to these areas leads to unemployment, poverty and consequently, crime.
- These areas are mostly international waters that fall within the maritime jurisdiction of several countries.
- This leads to **legal complexities and difficulties in coordination**.

Pirates of the Arabian Sea, their crime, and how maritime forces respond to it

EXPERT EXPLAINS
BISWAS DASGUPTA

THE INDIAN NAVY'S role in foiling a piracy attempt on an Iranian-flagged fishing vessel, FV Omaril, off the east coast of Somalia on February 2, is a significant event in the history of maritime security in the Indian Ocean region.

Why these areas and not elsewhere?

First, these areas are poorly policed. The coastal countries have weak maritime forces, or none at all.

Second, these areas normally have concentrations of shipping traffic, which makes them attractive to pirates.

Third, these areas are often close to regions of political instability and economic hardship, which can lead to piracy.

What constitutes the crime of piracy?

Under the UN Convention on the Law of the Sea (UNCLOS), piracy is defined as any illegal act of violence or detention, or any act of depredation, committed for private ends by the crew or passengers of a private ship or a private aircraft, and directed against a ship or aircraft, or against persons or property on board such ship or aircraft.

How do maritime forces respond?

They maintain a visible presence that aims to deter pirates from carrying out attacks. Their ships and aircraft undertake surveillance of the high-risk area, identify suspect vessels, and report them for further investigation.

They warn passing ships about suspect vessels and announce escort schedules. This enables merchant ships transiting the high-risk area to join convoys between designated points.

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These areas are mostly international waters that fall within the maritime jurisdiction of several countries.

This leads to legal complexities and difficulties in coordination.



Captured pirates following the anti-piracy operation by INS Sumitra, 17

Small ships are easy targets for pirates, and the Indian Navy's role in foiling a piracy attempt on an Iranian-flagged fishing vessel, FV Omaril, off the east coast of Somalia on February 2, is a significant event in the history of maritime security in the Indian Ocean region.

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- **Current geopolitical reasons behind the recent increase in piracy incidents**
 - This sudden increase in piracy incidents may be attributed to the heightened volatility resulting from the Israel-Hamas conflict.
 - Additionally, the support provided by Houthi rebels in Yemen to the Palestinians could be contributing to this alarming trend.
- **Role of Indian Navy**
 - **Background**
 - The Indian Navy has been among the most proactive forces deployed in the troubled area off the Horn of Africa and the Gulf of Aden.
 - Its **anti-piracy patrol that started in 2008 continues to this day.**
 - Since 2008, Indian Navy has deployed units in Gulf of Aden and East Coast of Africa towards antipiracy patrols.
 - **Achievements**
 - A total of 3,440 ships and over 25,000 seafarers have been safely escorted.
 - Nil piracy incidents have been reported in Palk Strait.
 - The **boundaries of the high-risk area** that covered much of the Arabian Sea during the height of Somali piracy (2009-12) were pushed back westward primarily due to the efforts of the Indian Navy.
 - The High Risk Area reflects the area where the threat from piracy exists.
 - **Recent achievements**
 - The rescue of a Sri Lankan fishing trawler, Lorenzo Putha, in a coordinated action with the Sri Lankan and Seychelles navies on January 29, and
 - The rescue of two Iranian flagged boats with Iranian and Pakistani crew by the Offshore Patrol Vessel INS Sumitra.

6. **Government Allows Retail Sale of Rice at Rs 29/KG**

GS 3 (Economy)

- **Why in News:**
 - The Union government announced retail sale of rice at Rs 29 per kg under 'Bharat Rice' through three cooperatives.
 - The move is aimed at controlling the rise in rice prices, which have risen by 14.5 per cent in retail and 15.5 per cent in the wholesale markets in the last one year.
- **Background:**
 - In 2023, the Union government, in order to check domestic rice prices and ensure domestic food security, had prohibited the export of white (non-basmati) rice and levied a 20% export duty on par-boiled rice.
 - The government's decision to curb rice exports was prompted by escalating domestic prices and the desire to ensure adequate supply for the country.
 - Most industry experts anticipate that the government will not ease restrictions before the general election, which is scheduled for April-May 2024.
 - The fall in rice production during the 2023-24 kharif season, influenced by El Nino-induced dry weather conditions, further complicates the supply situation.
 - Despite trade curbs, local rice prices have remained robust, leading the government to issue warnings to retailers.
- **India's Rice Exports:**
 - India is the largest rice exporter globally with a 45% share in the world rice market.
 - Overall rice exports in April-May of 2023 were 21.1% higher compared with the same period last financial year.
 - In May 2023 itself, **export of Basmati rice was 10.86% higher than its exports in May 2022.**
 - The **shipment of non-Basmati rice has been on the rise for the last three years** and the export of Basmati rice in 2022-2023 was higher than the previous year.
 - The data shared by the government says that till August 17 this year, total rice exports (except broken rice) were 15% more at 7.3 million tonnes as against the 6.3 million tonnes during the corresponding period last year.
 - **Thailand** expects nearly 25% lower production in 2023-2024; **Myanmar** has stopped raw rice exports; and it is said to be low in **Iraq** and **Iran** as well.
- **Union Government's Intervention Measures:**
 - Union Food Secretary Sanjeev Chopra said that the **retail prices had increased by 14.51% over the past year.**
 - Worried over the increase in rice prices, the Centre has asked traders/wholesalers, retailers, big chain retailers and processors/millers to declare their stock position of rice and paddy every Friday.
 - The Union Food Secretary said the decision is to manage the overall food inflation and to prevent unscrupulous speculation.
 - Further, to check inflationary trends, the Centre has decided to start retail sale of 'Bharat Rice' to general consumers.

To check price rise, govt allows retail rice sale at Rs 29/kg from next week

'Bharat Rice' to be sold through NAFED, NCCF, Kendriya Bhandar

EXPRESS NEWS SERVICE

NEW DELHI, FEBRUARY 2

THE GOVERNMENT ON Friday announced retail sale of rice at Rs 29 per kg under 'Bharat Rice' through three cooperatives. The move is aimed at controlling the rise in rice prices, which have risen by 14.5 per cent in retail and 15.5 per cent in the wholesale markets in the last one year.

Announcing the decision, Food Secretary Sanjeev Chopra said 5 lakh metric tonnes of rice has been allocated and the retail sale of 'Bharat Rice' will begin next week. The rice will be available in 5kg and 10kg bags. It will be sold through three cooperatives — National Agricultural Cooperative Marketing Federation of India Ltd (NAFED), National Cooperative Consumer Federation of India (NCCF) and Kendriya Bhandar.

Chopra also said that there is no proposal to revisit export regulations on essential items. In a statement, the Department of Food and Public Distribution said, "Further, to check inflationary trends in the food economy, it has been decided to start retail sale of 'Bharat Rice' to general consumers."

"In the first phase, 5 LMT of rice has been allocated for retail sale under 'Bharat Rice' brand through 3 agencies viz NAFED,

NCCF and Kendriya Bhandar. It will be sold to general consumers at Rs 29/kg in 5kg and 10kg bags from mobile vans and physical outlets of the three central cooperative agencies to begin with."

"Soon, it will be available through other retail chains, including e-commerce platforms," it said. The department has also asked traders/wholesalers, retailers, big chain retailers, processors/millers to declare their stock of rice and paddy.

"In order to manage the overall food inflation and to prevent unscrupulous speculation, the government of India has decided that stock position of rice/paddy must be declared by traders/wholesalers, retailers, big chain retailers and processors/millers in all states and Union Territories until further orders," the statement said. "The respective legal entities (i.e. traders/wholesalers, retailers, big chain retailers, processors/millers) have to declare stock position of paddy and rice in categories such as (i) broken rice, (ii) non-basmati white rice, (iii) parboiled rice, (iv) basmati rice, (v) paddy. The entities are expected to update it every Friday."

"The stock position of rice shall be declared by these entities within 7 days of issue of the order," it said. **FULL REPORT ON**

www.indianexpress.com

- In the first phase, 5 lakh tonnes of rice have been allocated for retail sale under the 'Bharat Rice' brand through three agencies, the NAFED, NCCF and the Kendriya Bhandar.
- The retail price for sale of Bharat Rice to general consumers will be ₹29 per kilogram.
- Rice will be sold in 5 kg and 10 kg bags.
- Sufficient stock of good quality rice is available with the FCI, which is being offered to traders/wholesalers under the open market sales scheme at a reserve price of ₹29/Kg.

7. Recognizing early signs of cervical cancer: The silent threat and the power of prevention

GS 2 (Health)

• Why in News:

- It is essential to emphasise that the common symptoms can be caused by various conditions and experiencing them does not necessarily indicate cervical cancer.
- Cervical cancer is often referred to as a 'silent' disease in its early stages due to the absence of noticeable signs or symptoms. However, being vigilant and understanding subtle changes is crucial for early detection and effective treatment. This article aims to shed light on the early signs of cervical cancer, emphasizing the importance of seeking medical attention to avoid delays in diagnosis.

• Early Signs of Cervical Cancer:

- **Abnormal Bleeding:**
 - Unexplained Heavy Bleeding
 - Bleeding Between Periods
 - Bleeding After Menopause
 - Noticeable Factors
- **Changes in Menstrual Flow:**
 - a) Increased Flow or Prolonged Periods
 - b) Role of Routine Screenings
- **Unusual Vaginal Discharge:**
 - a) Changes in Color or Consistency
 - b) Foul Odor
 - c) Other Associated Symptoms
- **Pelvic Pain or Discomfort:**
 - a) Persistent Pain During Intercourse
 - b) Investigating Continuous or Worsening Pelvic Pain
 - c) Red Flags for Consultation
- **Difficulty in Urination or Constipation:**
 - a) Pressure on Bladder Causing Difficulty in Urination
 - b) Constipation as a Symptom
 - c) Warning Signs in Advanced Cases
- d) **Empowering Against Cervical Cancer**
 - **Importance of HPV Vaccination:**
 - Administering One or Two Doses
 - Age Range for HPV Vaccination
 - **Regular Screenings:**
 - Starting at Age 25
 - Frequency of Screenings (Every Three to Five Years)
 - Types of Screening

- **Way Forward:** While early changes can be indicative of cervical cancer, it is crucial to recognize that similar symptoms can be caused by less serious conditions. Self-diagnosis should be avoided, and consulting a doctor is essential. Early detection through awareness, regular screenings, and vaccination against HPV remains our strongest defense against this preventable disease. Stay informed, stay vigilant.



5th Feb, 2024

1. Financial Dynamics of Panchayats

GS 2 (Governance)

- Why in News:** Local governments, especially Panchayats suffer from issues of funds, functions, functionaries. All this primarily zeros down on their fiscal conditions.

 - Background: Reserve Bank of India's Insights on Panchayats' Revenue Structure**
 - A recent report by the **Reserve Bank of India sheds light on the fiscal health of Panchayati Raj Institutions**, particularly emphasizing the contributions of local taxes and fees to their total revenue.
 - The report delves into the **varying financial landscapes across states**, highlighting disparities in non-tax revenue and shedding light on expenditure patterns.
 - Local Taxes and Fees: A Modest Contributor to Panchayats' Revenue**
 - The report reveals that **local taxes and fees constitute a mere 1.1 per cent of Panchayats' total revenue**.
 - This **nominal contribution points to a heavy reliance on other sources, primarily grants and non-tax revenue**, which together make up a significant portion of their financial inflows.
 - Regional Disparities: Contrasting Non-Tax Revenue Across States**
 - States such as **Tamil Nadu, Himachal Pradesh, Maharashtra, and Telangana stand out with higher non-tax revenue**, emphasizing the varied financial landscapes within the country.
 - The disparities underscore the need for a nuanced approach in **understanding and addressing the financial challenges faced by Panchayats**.
 - Revenue Trends: Average Per Panchayat and Influencing Factors**
 - Examining the average revenue per Panchayat over the years, the **report notes a dip in 2022-23 attributed to reduced grants during that fiscal period**.
 - The **limited sources of revenue, dominated by property taxes, fees, and fines**, highlight the financial constraints faced by Panchayats, further exacerbated by delays in the constitution of State Finance Commissions.
 - Expenditure Patterns: A Closer Look at Spending Trends**
 - Despite fluctuations, the ratio of **revenue expenditure of Panchayats to nominal Gross State Domestic Product (GSDP) remains below 0.6 per cent for all states**.
 - The report highlights a **decline in average expenditure per Panchayat from 2020-21 to 2022-23**, influenced by heightened spending during the pandemic year.
 - Strategic Investments: Capital Projects and Focus Areas**
 - A significant portion of Panchayats' total expenditure, **6 per cent in 2022-23, is directed towards capital projects**.
 - Investments in Panchayati Raj programmes**, transportation, water supply and sanitation, rural electrification, and rural housing indicate a concerted effort towards addressing critical infrastructure needs.
 - Technological Integration: eGramSwaraj and Financial Management**
 - The report underlines the growing integration of technology in **Panchayats' financial management**.

Panchayats earn only 1% of their revenue through taxes

Most of their revenue comes from the Centre and the States as grants

DATA POINT

The Hinda Data Team

Only 1% of the revenue of panchayats was earned by them, with the rest being raised as grants from the State and the Centre, show data. Specifically, 80% of the revenue was from Central government grants, only 13% was from State government grants. Consequently, the revenue raised by panchayats formed a minuscule share of the States' own revenue.

Panchayats act on three levels –

repreneurial spirit. They are responsible for a variety of tasks including agricultural, industrial, health, education, rural electrification, health care, rural extension, health care, and construction. They are also responsible for maintaining schools, hospitals, dispensaries, and other public facilities.

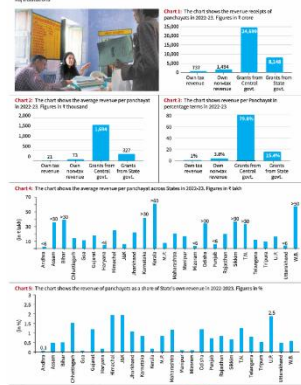
However, due to dependence on the Centre and the State for funds, the Panchayats are free from interference from the top two tiers of the system, according to the report. In the first year, several panchayat heads were elected to the State Government's Panchayat Raj Day. A news report from Telangana last year said that the Panchayat Raj Day was celebrated in the State Government is releasing funds on time freed supervisors and Panchayats. The Panchayats and Panchayat Raj Day in March 2022. The Panchayats and Panchayats did not receive any funds under the Karmayogi Scheme. The Panchayats and Panchayats did not receive any funds under the Karmayogi Scheme.

The programme was started for building capacity and training of the Panchayats. The Panchayats and Panchayats did not receive any funds under the Karmayogi Scheme.

The recently released report on the Panchayats and Panchayats did not receive any funds under the Karmayogi Scheme. The Panchayats and Panchayats did not receive any funds under the Karmayogi Scheme.

Too top heavy

The charts are based on data collated from the Reserve Bank of India (RBI) report titled, 'Finances of Panchayats: A Report 2007-08'.



- Over 2.5 lakh Panchayati Raj Institutions (PRIs) use the **eGramSwaraj platform** for accounting purposes, while more than 2.4 lakh PRIs have seamlessly integrated the eGramSwaraj-PFMS Interface for online transactions, showcasing a shift towards digitization in financial operations.
- Strengthening Financial Management and Transparency**
 - As Panchayats navigate the complex financial landscape, the report emphasizes the importance of technology-driven solutions like **eGramSwaraj** and the **Audit Online application** introduced by the **Ministry of Panchayati Raj**.
 - These initiatives aim to enhance **financial management, transparency, and accountability**, offering a potential roadmap for the sustainable fiscal growth of Panchayati Raj Institutions.

2. Uniform Civil Code

GS 2 (Governance)

- Why in News:** The Uttarakhand Assembly is likely to pass the State's Uniform Civil Code (UCC) Bill during its four-day-long session in February.
- About Uniform Civil Code (UCC):**
 - A Uniform Civil Code refers to a single law for the entire country, applicable to all religious communities in their personal matters such as marriage, divorce, inheritance, adoption etc.
 - It is intended to replace the system of fragmented personal laws, which currently govern interpersonal relationships and related matters within different religious communities.
- Constitution of India on UCC:**
 - Article 44** of the Constitution lays down that the State shall endeavour to secure a Uniform Civil Code for the citizens throughout the territory of India.
 - Article 44 is **one of the Directive Principles mentioned in Part-IV of the Constitution**.
 - These, as defined in **Article 37**, are not justiciable (not enforceable by any court) but the principles laid down therein are fundamental in governance.
 - These principles consists of all the ideals which the State should follow and keep in mind while formulating policies and enacting laws for the country.
- Present Status of Personal Laws in India:**
 - Personal law subjects such as marriage, divorce, inheritance come under the **Concurrent list** of the Constitution.
 - Both, the Parliament and state legislature can make laws with respect to any of the matters enumerated in the Concurrent List.
 - The Hindu personal laws have been codified into four parts by the Parliament in 1956:
 - The Hindu Marriage Act, 1955
 - The Hindu Succession Act, 1956
 - The Hindu Minority and Guardianship Act, 1956
 - The Hindu Adoption and Maintenance Act, 1956
 - The term 'Hindu' also includes Sikhs, Jains and Buddhists for the purpose of these laws.
 - Muslim personal laws are not codified per se, and are based on their religious texts, though certain aspects of these are expressly recognised in acts such as the **Shariat Application Act, 1937** and **Dissolution of Muslim Marriages Act, 1939** and **Muslim Women (Protection of Rights on Marriage) Act, 2019**.
 - Christians, Zoroastrians and Jews are also governed by their own personal laws
- Exception of Goa:**
 - Goa is, at present, the only state in India with a uniform civil code.
 - The **Portuguese Civil Code of 1867**, which continues to be implemented after India annexed the territory in 1961, applies to all Goans, irrespective of their religious or ethnic community.
- Need for a Uniform Civil Code in India:**
 - A Uniform Civil Code would provide equal status to all citizens irrespective of the community they belong to.
 - Personal laws of different religions are widely divergent and there is no consistency in how issues like marriage, succession and adoption are treated for people belonging to different communities.
 - This is contradictory to **Article 14** of the Constitution, which guarantees Equality before the Law.
 - Personal laws, because they derive from tradition and custom, also tend to give undue advantage to men.
 - This becomes evident in examples such as Muslim men being allowed to marry multiple wives, but women being forbidden from having multiple husbands.

On Uttarakhand's uniform civil code

What was the debate surrounding the UCC in the Constituent Assembly? Can a State government implement a State-wide UCC? Why has the Supreme Court not given a definite order regarding the implementation of a UCC?



- Men (fathers) are also treated as 'natural guardians' and are given preference under the **Hindu Minority and Guardianship Act**.
- A UCC could lead to **consistency and gender equality** in India.
- **Criticism of UCC:**
 - Although it reinforces equality before the law, the idea of a UCC clashes with the Right to Freedom of Religion, provided under **Article 25** of the Constitution.
 - Separate personal laws are one of the ways in which people have exercised their right to practise their own religion, which has been particularly important for minorities.
 - The UCC could become a tool to erode this right, suppress minorities and homogenise culture.
- **Way Forward:**
 - A progressive and broadminded outlook should be encouraged among the people to understand the spirit of the UCC. For this, education, awareness and sensitisation programmes must be taken up.
 - Meanwhile, discriminatory personal laws should be amended/abolished accordingly.
 - The Law Commission in its report titled **"Reform of Family Law" (2018)** had suggested that the best way forward would be to **preserve the diversity of personal laws while ensuring that they do not contradict fundamental rights**.
 - The report suggested that by codifying different personal laws, one can arrive at certain universal principles that prioritize equity rather than blanket imposition of a Uniform Civil Code.
- **News Summary:**
 - In May 2022, the Uttarakhand government announced the constitution of a five-member committee led by former Supreme Court judge **Justice Ranjana Prakash Desai** to draft the Uniform Civil Code.
 - Recently, the panel submitted its final report on the UCC.
 - The Uttarakhand Legislative Assembly is now likely to pass the Uniform Civil Code Bill in the upcoming assembly session.
 - The draft will be discussed in a meeting of the State Cabinet before it is tabled in the form of a Bill in the Assembly.
- **What Provisions Can be Expected?**
 - The draft UCC is set to focus on gender equality by introducing provisions that **treat men and women equally**, especially in matters pertaining to inheritance.
 - Catering to demands from Muslim women in the State, it will also revoke practices governing marriage and divorce such as **polygamy, iddat** (mandatory period of waiting to be observed by women following the dissolution of a Muslim marriage) and **triple talaq**.
 - The Code is also likely to extend an **equal property share to Muslim women** against the existing 25% share accorded under Muslim personal laws.
 - Other issues such as **divorce, marriage registrations, adoption, and social security** for ageing parents will also be covered under the law.

3. [Northern Ireland gets a govt after two years](#)

GS 2 (International Relations)

- **Why in News:**
 - An Irish nationalist made history recently by becoming Northern Ireland's first minister as the government returned to work after a two-year boycott.
 - The Parliament of Northern Ireland was paralysed over new trade rules between the European Union and the United Kingdom necessitated by Brexit.
- **Governance system of Ireland**
 - **Background**
 - **Northern Ireland was created** in May 1921 by partitioning Ireland, and consists of the six northeastern counties of the island.
 - In 1922, the rest of Ireland gained independence from the British (today's Republic of Ireland, with its capital in Dublin).
 - Northern Ireland remained with the United Kingdom, but tensions simmered between the side loyal to the Crown, and the faction wanting to join the Republic.
 - Today, **the side loyal to the British Union are called unionists**, while those who support a united and free Ireland are called **nationalists**.
 - **Belfast Agreement or the Good Friday agreement**
 - By the end of the 1960s, a bloody conflict was raging in Northern Ireland among those who wished to remain with the UK and those who wanted to join Ireland.
 - Finally, in 1998, the **Good Friday Agreement** was signed to end the bloodshed, and gave Northern Ireland a unique system of governance.
 - **Unique system of governance**
 - Both unionists and nationalists share power in Stormont, the Parliament buildings in Belfast.

NORTHERN IRELAND GETS NEW GOVT: THE DEADLOCK, AND THE RESOLUTION

YASHEE
NEW DELHI, FEBRUARY 4

NORTHERN IRELAND finally got a functional government on Saturday, two years after its Parliament was paralysed over new trade rules between the European Union and the United Kingdom, necessitated by Brexit.

New first minister Michelle O'Neill creates history, as she belongs to Sinn Féin, a political party linked to the paramilitary group Irish Republican Army, which has a long history of fighting the British. The prolonged deadlock in governance had affected public services, while public sector employees had been protesting delayed salary hikes.

Unique position
Northern Ireland was created in May 1921 by partitioning Ireland. In 1922, the rest of Ireland gained independence from the British, becoming today's Republic of Ireland, with its capital in Dublin.

From the 1960s, Northern Ireland saw a bloody conflict between those who wanted to remain with the United Kingdom and those who wanted a free and united Ireland. Finally, on April 10, 1998, the Good Friday Agreement was signed to end the bloodshed, and gave Northern Ireland a unique system of governance.

Thus, unionists (the side loyal to the British Union) and nationalists share power in Stormont, the Parliament buildings in Belfast. Both sides have to cooperate for the government to work.

Collapse of 2022
After the UK (England, Scotland, Wales, and Northern Ireland) left the EU, Northern Ireland now shared a land border with an EU member, the Republic of Ireland. Since the EU and the UK have different product standards, border checks were necessary before goods could move from Northern Ireland to Ireland.



New First Minister Michelle O'Neill and Deputy First Minister Emma Little-Pengelly at Stormont in Belfast on February 3, Reuters

However, given the history of violence here, it was decided to leave this border alone, and checks were introduced between Great Britain (England, Scotland, and Wales) and Northern Ireland instead. This system angered the unionists, who believed it undermined Northern Ireland's position with the UK. Thus, Sir Jeffrey Donaldson, leader of Democratic Unionist Party (DUP), refused to allow Stormont to function from May 2022.

The new deal
Various efforts were made to resolve the problems, including the Windsor Framework of February 2023, which introduced a system of green lanes for goods that would stay in Northern Ireland and red lanes (with more checks) for those that would go to the EU. However, for the DUP, these measures were far too little.

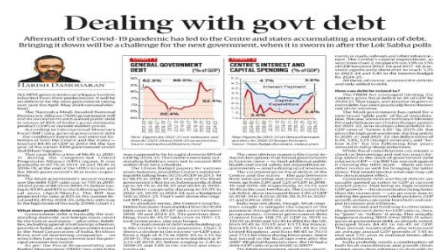
Now, a new deal has been reached. Its three main points, as stated on the UK's Institute for Government, include: The green lane is now the UK Internal Market channel, on which checks and customs paperwork have been reduced further; there's an "Internal Market Guarantee" which says that at least 80% of Great Britain to Northern Ireland goods will pass through this channel; and the UK government is extending a £3.3 billion package to help Northern Ireland's finances.

- Both sides have to cooperate for the government to work.
- While the faction that wins more votes in elections gets the post of First Minister, the other side gets the chair of Deputy First Minister, with equal power.
- **Northern Ireland Protocol and Collapse of parliament in 2022**
 - **Background: Northern Ireland Protocol**
 - After the UK left the European Union, **Northern Ireland remained its only constituent that shared a land border with an EU-member, the Republic of Ireland.**
 - **Great Britain (England, Scotland and Wales) together with Northern Ireland forms the United Kingdom.**
 - Since the EU and the UK have different product standards, border checks would be necessary **before goods could move from Northern Ireland to Ireland.**
 - However, an open border between the two was a key component of the 1998 Good Friday agreement.
 - Keeping this in mind, Northern Ireland Protocol was negotiated in 2020 between the U.K. and the E.U.
 - **About the protocol**
 - The protocol is a trading agreement that was negotiated in 2020 between the U.K. and the E.U.
 - Under this agreement both the U.K. and E.U. agreed that the **inspection of goods would be conducted between Great Britain and Northern Ireland.**
 - This agreement effectively created a de facto border in the Irish Sea between Northern Ireland and the rest of the U.K.
 - Northern Ireland continued to follow many of the EU's rules, meaning that lorries can continue to drive across the border without having to be inspected.
 - The protocol was signed as part of the Brexit withdrawal agreement, which is now ratified under international law.
 - **Protocol led to the Collapse of Northern Ireland Parliament (Stormont) in 2022**
 - This protocol angered the unionists, who believed it undermined Northern Ireland's position with the UK.
 - Thus, the Unionists refused to allow government formation after Northern Ireland went to polls in May 2022, and did not allow Stormont to function
- **The new deal**
 - Various efforts were made to resolve the problem, including the Windsor Framework of February 2023.
 - **Windsor Framework**
 - The framework has two crucial aspects:
 - the introduction of a **green lane and red lane system** for goods that will stay in Northern Ireland and those that will go to the EU respectively;
 - the '**Stormont Brake**', which allows Northern Ireland lawmakers and London to veto any EU regulation they believe affects the region adversely.
 - British goods meant for Northern Ireland will use the green lane at the ports, and will be allowed to pass with minimal paperwork and checks.
 - Goods destined for Ireland or the rest of the EU will have to take the red lane, with the attendant customs and other checks.
 - The new **Stormont Brake** means the democratically elected Northern Ireland Assembly can oppose new EU goods rules that would have significant and lasting effects on everyday lives in Northern Ireland.
 - For this, they **will need the support of 30 members from at least two parties.**
 - The British government can then veto the law.
 - **A new deal has been reached**
 - Windsor Framework was refused by the Unionist by saying that these measures were far too little.
 - Now, a new deal has been reached, published as a command paper called 'Safeguarding the Union' by the UK government.
 - Its three main points include:
 - The green lane is now called the **UK Internal Market channel**, on which checks and customs paperwork have been reduced further, to only "risk and intelligence-based checks" relating to "criminality, smuggling and disease";
 - There is a "**Internal Market Guarantee**" which says that at least 80% of Great Britain to Northern Ireland goods will pass through this channel;
 - the UK government will extend a £3.3 billion package to help Northern Ireland's finances.

4. Debt Conundrum: Strategies for the Next Government

GS 3 (Economy)

- **Why in News:** The significant debt burden accumulated during the aftermath of the pandemic. Analyzing the trajectory of this debt reveals a complex scenario that demands strategic solutions for sustainable economic recovery.
- **Understanding the Debt Landscape: Historical Trends and Current Realities**



- The outgoing government concludes its term with the overall public debt **surpassing 80% of India's Gross Domestic Product (GDP)**.
- Drawing parallels with the **early 2000s**, the **International Monetary Fund (IMF)** data showcases a resemblance, underlining the persistent challenge of managing burgeoning debt levels.
- **Fiscal Responsibility and Budget Management (FRBM) Goals: A Vision Diverged**
 - Envisioned under the Vajpayee-led NDA government in 2003, the **FRBM law aimed to reduce the general government debt to 60% of GDP by 2024-25**.
 - However, **subsequent years witnessed a departure from this target**, with the **Centre's outstanding debt surpassing the set limits**.
 - The **Fiscal Responsibility and Budget Management Act** faced **practical challenges** as the debt scenario evolved, necessitating a recalibration of fiscal goals.
- **Deconstructing Government Debt Components: Implications and Challenges**
 - Government debt **encompasses a spectrum of obligations**, from **domestic and foreign loans** to liabilities against various schemes.
 - These commitments require **interest and principal repayments**, adding strain to the overall financial framework.
 - Examining the Fiscal Responsibility and Budget Management (FRBM) law's trajectory reveals a **widening gap** between envisioned targets and the Centre's actual liabilities.
- **Economic Fallout of the Pandemic: A Catalyst for Soaring Debt Levels**
 - The onset of the Covid-19 **pandemic triggered unparalleled disruptions**, compelling governments to amplify borrowing to meet emergent public health and social expenditure demands amid dwindling revenues.
 - The **resultant surge in the combined gross fiscal deficit of the Centre and states** became a defining feature, escalating from 5.8% and 7.2% of GDP in 2018-19 and 2019-20 to 13.1% and 10.4% in the subsequent fiscal years.
- **Strategies for Debt Mitigation: Balancing Fiscal Consolidation and Growth**
 - Addressing the challenge of reining in government debt necessitates a **multifaceted approach**.
 - The current government's **fiscal consolidation "glide path," targeting a deficit-to-GDP ratio of "below 4.5%" by 2025-26, marks a strategic shift**.
 - However, the IMF's caution against **surpassing the 100% debt-to-GDP threshold underscores** the importance of balancing fiscal prudence with growth initiatives.
- **Leveraging Economic Growth: The Denominator Effect**
 - Acknowledging the impact of nominal **GDP growth on the debt-to-GDP ratio**, strategies must focus on fostering robust economic expansion.
 - **High nominal GDP growth**, driven by real output increases rather than inflation, offers a viable pathway to alleviate the burden of government debt.
 - **Historical trends from 2003-04 to 2010-11 highlight the potential effectiveness of this approach**.
- **Charting the Future: A Dual Approach for Sustainable Debt Management**
 - Harmonize **fiscal consolidation, robust economic growth, and prudent management of public finances**.
 - A **judicious combination of these strategies** holds the key to steering India towards a resilient and sustainable economic trajectory.

5. GRAPES-3 experiment

GS 3 (Science and Tech)

- **Why in News:** The GRAPES-3 experiment discovered a new feature in the cosmic-ray proton spectrum at about 166 tera-electron-volt (TeV) energy while measuring the spectrum spanning from 50 TeV to a little over 1 peta-electron-volt (PeV).
- **About the GRAPES-3 experiment:**
 - **Gamma Ray Astronomy PeV Energies phase-3** (GRAPES-3) is designed to **study cosmic rays** with an array of air shower detectors and a large area muon detector.
 - **Location:** It is located in Ooty, India.
 - It is operated by the **Tata Institute of Fundamental Research**.
 - It aims to probe the acceleration of cosmic rays in different astrophysical settings.
 - **Its objectives are** to study:
 - The **origin, acceleration and propagation** of >10¹⁴ eV cosmic rays in the galaxy and beyond.
 - **Existence of “Knee”** in the energy spectrum of cosmic rays.
 - Production and/or acceleration of the highest energy (~10²⁰ eV) cosmic rays in the universe.
 - Astronomy of multi-TeV γ -rays from neutron stars and other compact objects.
 - **Key facts about Cosmic rays:**
 - These rays were discovered more than a century ago.
 - They are considered to be **the most energetic particles** in the universe.
 - Our planet is constantly bombarded by them from outer space almost uniformly from all directions at a constant rate.
 - They enter into Earth's atmosphere and induce a shower of particles that travel to the ground almost at the speed of light.
 - The shower particles constitute electrons, **photons, muons, protons, neutrons etc.**
 - They have been observed over a remarkably wide energy range (10⁸ to 10²⁰ eV).

6. Whip

GS 2 (Governance)

- **Why in News:** The major political party issued a three-line whip to its Lok Sabha MPs asking them to be present in the House tomorrow as the Prime Minister of India will reply to the Motion of Thanks on the Presidential address delivered recently.
- **About Whip:**
 - A whip in parliamentary parlance **is a written order** that party members be present for an **important vote**, or that they vote only in a particular way.
 - The term is derived from the old British practice of “whipping in” lawmakers to follow the party line.
 - The importance of a whip can be inferred from the **number of times an order is underlined**.
 - **Appointment:**
 - In India, all parties can issue a **whip to their members**.
 - Parties appoint a **senior member** from among their House contingents to issue whips — this member is **called a Chief Whip**, and he/she is assisted by additional Whips.
 - **Types of whips:**
 - **One-line whip:** A one-line whip, **underlined once**, is usually issued to **inform party members of a vote** and allows them to abstain in case they decide not to follow the party line.
 - **Two-line whip:** A two-line whip directs them to be present during the vote.
 - **Three-line whip:** A three-line whip is the strongest, employed on important occasions such as the second reading of a Bill or a no-confidence motion, **and places an obligation on members to toe the party line**.
 - **Defiance of whip**
 - In India, rebelling against a three-line whip can put a lawmaker's membership of the House at risk.
 - The **anti-defection law allows** the Speaker/Chairperson **to disqualify such a member**; the only exception is when more than a third of legislators vote against a directive, effectively splitting the party.

7. InTranSE Program

GS 2 (Governance)

- **Why in News:** During the launch event of "Digital India FutureLABS Summit 2024" held at IIIT- Delhi, three Indigenous Technologies - Thermal camera, CMOS camera and Fleet Management System designed and developed by CDAC Thiruvananthapuram under InTranSE Program of MeitY were transferred to 12 Industries.
- **About InTranSE Program:**
 - The **Intelligent Transportation System Endeavor (InTranSE)** is a revolutionary collaborative research and development programme.
 - It is an initiative of the **Ministry of Electronics & IT.**
 - **Purpose:** To **synergize the transformation** in Intelligent Transportation Systems the Ministry of Electronics & IT took early steps by bringing together premier academic institutes like the Indian Institute of Technology (IIT), the Indian Institute of Science (IISc), Indian Institute of Management (IIM) etc. and Premier R&D Centre like C-DAC under one umbrella.
 - This initiative formulated the Collaborative Intelligent Transportation Systems Endeavor for Indian Cities (InTranSE) during the year **2009-2012 (Phase-I)** that witnessed IIT Bombay, IIT Madras, IIM Calcutta and C-DAC Thiruvananthapuram collaboratively developing, implementing, demonstrating and knowledge **transfer of ITS products and solutions.**
 - The InTranSE **Phase-II program (2019-2021)** is aiming at undertaking R&D projects collaboratively with IIT Bombay, IIT Madras, IISc Bangalore and C-DAC Thiruvananthapuram
 - **Significance:** It will achieve traffic efficiency by **minimising traffic problems**, prompting efficient infrastructure usage, enriching users with prior information about traffic and reducing travel time as well as enhancing the safety and comfort of commuters.



6th Feb, 2024

1. Bill Allowing Exemption to Industrial Units Tabled in the Rajya Sabha

GS 2 (Governance)

- **Why in News:** The Central government has introduced the Water (Prevention and Control of Pollution) Amendment Bill, 2024 in Rajya Sabha.
- **Water (Prevention and Control of Pollution) Amendment Bill, 2024:**

- **Water (Prevention and Control of Pollution) Act**

- **The Water (Prevention and Control of Pollution) Act** was enacted in 1974 to provide for the prevention and control of water pollution.

- The Act prescribes various penal provisions for non-compliance or contravention of the provisions punishable with imprisonment.

- **Rationale behind bringing the amendment**

- The Amendment Bill emphasizes that the cornerstone of democratic governance lies in the government trusting its own people and institutions.
- The Bill indicates that outdated rules and regulations causes trust deficit.
 - i. For example, the Water (Prevention and Control of Pollution) Act, 1974 imprisonment of up to three months for not informing the State Board about abstraction of water from a stream or well.
 - ii. The Bill amends it to a fine between Rs10,000 and Rs15 lakh.
- The imprisonment provisions for minor violations which are simple infringements, not leading to any injury to humans or damage to the environment, many a times cause harassment to business and citizen.
- It is also not in consonance with the spirit of **Ease of Living** and **Ease of Doing Business**.
- Therefore, the **Water (Prevention and Control of Pollution) Amendment Bill, 2024 proposes rationalising criminal provisions.**
- **It also ensures that citizens, business and companies operate without fear of imprisonment** for minor, technical or procedural defaults.

- **Major Features of the Water (Prevention and Control of Pollution) Amendment Bill, 2024:**

- The Water (Prevention and Control of Pollution) Amendment Bill, 2024, among other things, seeks to provide:
 - that the manner of nomination of the chairman of the State Pollution Control Board is to be prescribed by the Central Government;
 - that the **Central government may exempt certain categories of industrial plants from the application of Section 25 relating to restriction on new outlets and new discharges;**
 - that the Central government may issue guidelines on the matters relating to the grant, refusal or cancellation of consent by any State Board for establishment of any industry;
 - for decriminalising minor offences and replacing it with monetary penalty in case of continuation of contravention;
 - the manner of adjudication of penalties by the adjudicating officer who shall be an officer not less than the rank of Joint Secretary to the Government of India or Secretary to the State government;
 - punishment for failure to comply with the provisions of section 25 relating to restrictions on new outlets and new discharges and section 26 relating to existing discharge of sewage or trade effluent, etc.;
 - the amount of penalty imposed is to be credited to the **Environmental Protection Fund** established under section 16 of the Environment (Protection) Act, 1986.

- **News Summary:**

- The Water (Prevention and Control of Pollution) Amendment Bill, 2024 was introduced in the Rajya Sabha.
- It would be applicable to Himachal Pradesh and Rajasthan, and any other state that passes a resolution under the Water (Prevention and Control of Pollution) Act, 1974.
- The Bill enables the Centre to “exempt certain categories of industrial plants” from the restrictions on new outlets and discharges.
- It also enables the Centre to “issue guidelines” on matters relating to grant, establishment of any industry, etc.

2. Public Examinations (Prevention of Unfair Means) Bill, 2024

GS 2 (Governance)

- **Why in News:**

- Union minister Jitendra Singh introduced the Public Examinations (Prevention of Unfair Means) Bill, 2024 in the Lok Sabha.

Water pollution curbs:

What's in Bill to stop cheating in job exams

Proposed law prescribes tough penalties for use of 'unfair means' in recruitment exams. What are unfair means, and what is the rationale for such legislation?

HARISH SHARMA

Senior Editor

What is the Bill about?

The Bill is to prevent unfair means in public examinations.

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- The bill mandates a maximum jail term of 10 years and a fine of up to Rs 1 crore for malpractices and irregularities in competitive examinations.
- The government tabled the **Public Examinations (Prevention of Unfair Means) Bill** in the Lok Sabha to check malpractices and irregularities in competitive examinations
- **Background against which the bill has been brought**
 - **About**
 - The bill comes in the backdrop of a cancellation of a series of competitive tests such as:
 - a) the teacher recruitment exam in Rajasthan,
 - b) Common Eligibility Test (CET) for Group-D posts in Haryana,
 - c) recruitment exam for junior clerks in Gujarat and
 - d) constable recruitment examination in Bihar following question paper leaks.
 - **Statistics**
 - As per various reports, more than 1.5 crore students have been affected by paper leaks from 2016 to 2023.
 - More than 70 cases of question paper leaks have occurred in the same period.
 - At least a dozen recruitment drives have been cancelled owing to paper leaks in the state between 2018 and February 2023.
 - Since 2014, 615 accused have been arrested in connection with 33 cases of government recruitment paper leaks.
 - **No specific substantive law**
 - At present, there is no specific law to deal with unfair means adopted or offences committed by various entities involved in the conduct of public examinations by the central government and its agencies.
- **Key highlights of the bill**
 - **Objective**
 - The objective of the Bill is:
 - a) to bring greater transparency, fairness and credibility to the public examination systems and
 - b) to reassure the youth that their sincere and genuine efforts will be fairly rewarded and their future is safe.
 - **Applicability**
 - The bill is applicable to central recruitment and entrance exams conducted by:
 - i. the Union Public Service Commission (UPSC),
 - ii. Staff Selection Commission (SSC),
 - iii. Railway Recruitment Boards (RRBs),
 - iv. Institute of Banking Personnel Selection (IBPS), and
 - v. National Testing Agency (NTA).
 - The NTA conducts exams for admission to higher educational institutions, like the Joint Entrance Examination (JEE) for engineering, National Eligibility Cum Entrance Test (NEET) for medical, and Common University Entrance Test (CUET) for undergraduate and post-graduate studies.
 - vi. Apart from these designated public examination authorities, all central ministries and departments, as well as their offices for recruitment, will also come under the purview of the new law.
 - **Does not target students**
 - The Bill provides punishment for persons, organised groups or institutions indulging in unfair means for monetary or wrongful gains
 - However, candidates appearing for the exams have been left out of its purview.
 - Candidate shall continue to be covered under the extant administrative provisions of the public examination authority concerned
 - **Punishments**
 - The bill mandates a three-to-five-year prison term for involvement in paper leak cases.
 - However, in cases where a link to organised crime is proven it calls for a prison sentence of up to 10 years.
 - It imposes a fine of Rs 1 crore and recovering the cost of conducting examinations from firms.
 - It says a firm also may be barred from conducting public exams for years in case of a conviction.
 - **Defines unfair means**
 - Section 3 of the Bill defines unfair means.
 - It proposes 20 offences and unfair means including impersonation, manipulation of answer sheets and tampering with documents.
 - **Nature of offences**
 - Section 9 of the bill states that all offences shall be cognizable, non-bailable and non-compoundable
 - **Investigation**
 - The bill proposes that officers not under the rank of deputy superintendent of police or assistant commissioner of police must head up such matters.
 - The government under the bill also **holds the power to send the probe to a Central agency.**
 - In essence, this frees up to the police to act on its own and arrest suspects without a warrant.
 - **High-level national technical committee on public examinations**
 - The bill proposes the formation of a high-level national technical committee on public examinations that will make recommendations to make the computerised examination process more secure.
 - The committee shall look into developing protocols for:

- i. insulating digital platforms,
- ii. devising ways and means for developing foolproof IT security systems,
- iii. ensuring electronic surveillance of examination centres and
- iv. formulating national standards and services for both IT and physical infrastructure to be deployed for conduct of such examinations.
- **Model draft for states**
 - While the provisions will be binding for central public examination authorities, it will serve as a model draft for states.

3. Zero tolerance towards use of children in poll campaigns

GS 2 (Governance)

• **Why in News:**

- The Election Commission of India (ECI) said it issued directions to political parties to refrain from using children in election campaigns.
- The ECI asked parties to adhere to the Child Labour (Prohibition and Regulation) Act, 1986 and a Bombay High Court order of August 4, 2014.
 - The Bombay High Court, in August 2014, emphasised the need to ensure that parties do not allow children to participate in election-related activities.

• **Child Labour**

- **About**
 - According to the ILO, child labour includes any work that deprives children of their childhood, potential and dignity, physical or mental development.
 - It perpetuates the vicious cycle of poverty (due to poor education-health, less economic opportunities), denying children their fundamental rights and a better future.
- **Constitutional provision in India**
 - Article 24 of the Constitution of India prohibits employment of children below the age of 14 years in any factory or mine or in any hazardous employment.
- **Prevalence of child labour in India**
 - According to the International Labour Organization, India has the highest number of child laborers in the 5-17 age range in South Asia.
 - In rural areas, 13.9% of children are involved in child labor, compared to 4.7% in urban areas.
 - 70% of child laborers are in agriculture, 20% in services, and 10% in industry.
 - As per census 2011, **10.1 million children, or 3.9% of the total child population, are "main workers" or "marginal workers"**.
- **Reasons behind Child labour in India**
 - **Poverty and lack of social security** are the main causes of child labour.
 - Entry of multi-national corporations into industry without proper mechanisms to hold them accountable has led to the use of child labour.
 - **Lack of quality universal education** has also contributed to children dropping out of school and entering the labour force.
 - Laws that are meant to protect children from hazardous labour are ineffective and not implemented correctly.
 - A growing phenomenon is using **children as domestic workers in urban areas**.
 - **Rigid caste structure and associated socio-economic condition** is also one of the reasons for this.
 - According to many surveys, child labour is highest among schedule tribes, Muslims, schedule castes and OBC children.
- **India's commitment to eliminate child labour**
 - India resolves to eliminate child labour by 2025 as per –
 - a. The commitments made by the country after ratification of ILO conventions, and
 - b. The target stipulated in **Sustainable Development Goal 8.7** to end all forms of child labour.
- **Steps taken by India to eliminate child labour**
 - **The Child Labour (Prohibition and Regulation) Act, 1986 and its 2016 amendment**
 - **The Child Labour (Prohibition and Regulation) Act, 1986**, prevents children from partaking in certain employments and regulates the conditions of work for children in other fields.
 - In 2016, an amendment completely banned the employment of children below 14 years.
 - It also prohibits employment of adolescents (14-18 years) in hazardous occupations and processes.
 - **Child Labour (Prohibition & Regulation) Amendment Rules, 2017**
 - Government has framed the Child Labour (Prohibition & Regulation) Amendment Rules, 2017.
 - This rule specifies the duties and responsibilities of State Governments and District Authorities.
 - **PENCIL (Platform for Effective Enforcement for No Child Labour) platform**

Refrain from using children in poll campaigns, EC tells parties

New Delhi: The Election Commission has asked political parties to refrain from using children during election campaigns "in any form whatsoever", saying there will be "zero tolerance" for it.

The advisory, the poll panel said, was in continuation of earlier directives to parties and candidates to address "plummeting levels of campaign discourse and to maintain respectful discourse towards Persons with Disabilities".

"Parties have been advised not to use children in election campaigns in any form whatsoever including distribution of posters/ pamphlets or to participate in slogan shouting, rallies, election meetings, etc," an ECI statement said Monday. **ENS**

- Buffaloes sustained bloody injuries during the confrontations, enduring further agony from being dragged by ropes threaded through their nostrils.
- PETA India said buffalo fights violate not only central laws but also core Indian values of compassion and non-violence.
- The organisation underscored the inherent cruelty of such spectacles and called for their prohibition to safeguard both animal welfare and human rights advancements.
- **Animal rights and safety:**
 - **None of the guarantees contained in Part III of the Constitution**, which deals with fundamental rights, are **explicitly conferred on animals**.
 - Therefore, when efforts to legislate on animal welfare were first made, it came from a more **elementary ethical precept** that it was morally wrong to inflict unnecessary pain and suffering on animals.
 - It was with this vision in mind that Parliament enacted the **Prevention of Cruelty to Animals Act (PCA Act), in 1960**.
- ❖ **Prevention of Cruelty to Animals Act (PCA Act), 1960:**
 - It discusses **different forms of cruelty, exceptions, and killing of a suffering animal** in case any cruelty has been committed against it, so as to relieve it from further suffering.
 - This Act provides **punishment for causing unnecessary cruelty and suffering to animals**. The Act defines animals and different forms of animals.

5. India's Manufacturing Sector: Saw Employment, Profits Improve Despite Pandemic Blows

GS 3 (Economy)

- **Why in News:**
 - The Ministry of Statistics and Programme Implementation (MoSPI) released the **Annual Survey of Industries (ASI)** for 2020-21 and 2021-22.
 - According to the ASI, the Covid-19 pandemic affected the number of factories and fixed investments in the organised manufacturing sector in the country but profits and invested capital recorded an increase.
 - The ASI data is the principal source of industrial statistics and data for **organised manufacturing** (employing 10 or more workers using power and those employing 20 or more workers without using power).
 - **An Introduction to India's Manufacturing Sector:**
 - Manufacturing is emerging as **an integral pillar in the country's economic growth**, thanks to the performance of key sectors like automotive engineering, chemicals, pharmaceuticals, and consumer durables.
 - With **~17%** of the nation's GDP and **over 27.3 million workers**, the manufacturing sector plays a significant role in the Indian economy.
 - India now has the **physical and digital infrastructure** to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.
 - Through the implementation of different programmes and policies, the Indian government hopes to have **25% of the economy's output come from manufacturing by 2025** (National Manufacturing Policy).
 - **Potential of the India's Manufacturing Sector:**
 - **India's target** of achieving the milestone of **USD 1 trillion by the year 2025** as electronics, industrial machinery, and textiles playing a pivotal role.
 - Due to factors like power growth, long-term employment prospects, and skilled labour, **India has a significant potential to engage in international markets.**
 - **Several factors contribute to this potential –**
 - Global value chains are well positioned to benefit from India's advantage in engineering expertise, and entrepreneurship.
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ANNUAL SURVEY OF INDUSTRIES 2020-21 & 2021-22				
	2019-20	2020-21	2021-22	CAGR For 2021-22
Number of Factories	2,46,504	2,50,454	2,49,987	0.7
Number of Workers	1,30,58,156	1,25,94,563	1,36,09,931	2.1
Number of Employees	1,65,68,256	1,60,25,118	1,71,51,172	1.7
FINANCIALS				
Wages to Workers	2,28,90,520	2,22,61,548	2,64,55,930	7.5
Total Emoluments	4,91,72,897	4,83,89,031	5,60,82,801	6.8
Net Fixed Capital Formation	1,43,61,795	32,25,819	30,42,540	-54.0
Gross Fixed Capital Formation	1,46,71,337	3,13,61,805	3,30,07,225	-11.0
Profits	4,69,47,269	6,14,05,752	9,50,71,368	42.3

Value figures in Rs lakh

Source: MoSPI

- # SUEZ CANAL
- 12% of global trade and 10% of fuel trade
passes through Suez Canal
- Ship taking Red Sea route covers
16,520 km in 27 days
- A detour around Cape of Good Hope will
increase journey to
25,002 km and take 37-41 days
- OLD ROUTE — NEW ROUTE
-
- A map of the Indian Ocean region showing two shipping routes from the Red Sea to India. The 'OLD ROUTE' is a dashed red line that goes from the Red Sea, through the Gulf of Aden, and then follows the coast of East Africa (Cape of Good Hope) before heading to India. The 'NEW ROUTE' is a solid green line that goes from the Red Sea, through the Gulf of Aden, and then directly across the Indian Ocean to India. Ship icons are placed along both routes. A legend at the bottom indicates that the red dashed line is the 'OLD ROUTE' and the green solid line is the 'NEW ROUTE'. Text boxes provide specific details for each route, including distance and time. The title 'SUEZ CANAL' is at the top, and a statistic about global trade is below it. The 'INDIA TODAY' logo is in the top right corner.

GS 2 (International Relations)

- ## Red Sea crisis: India turns to West Asia to replace crude supply from the US

[illegible]

- **Bank rate:** It is the rate charged by the central bank for lending funds to commercial banks.
- **Statutory Liquid Ratio:** A commercial bank must retain a percentage of liquid cash, gold or other securities as deposits. This is known as Statutory Liquid Ratio or SLR.
- **Cash Reserve Ratio (CRR):** It is a percentage of deposits required by commercial banks to be maintained in the form of liquid cash with the RBI as reserves.
- **Marginal Standing Facility Rate (MSF):** It is a facility extended to commercial banks by the RBI in the event of an emergency to obtain liquidity overnight.
- **Components of Repo Rate:**
 - **Preventing "squeeze" in the economy** -The central bank adjusts the Repo rate in response to inflation. As a result, it seeks to govern the economy by keeping inflation under control.
 - **Hedging and Leverage-** The RBI tries to hedge and leverage by purchasing securities and bonds from banks and providing cash in exchange for collateral deposited.
 - **Short-Term Borrowing**— The RBI lends money for a **short length of time**, up to an overnight period, after which banks purchase back their deposited securities at a predetermined price.
 - **Collateral and Securities**— The RBI takes gold, bonds, and other forms of collateral.
 - **Cash Reserve or Liquidity:** Banks borrow money from the Reserve Bank of India (RBI) to preserve liquidity or cash reserves as a precautionary measure.
- **Impacts of repo rate:**
 - The increased repo rate will **discourage banks to borrow** from the RBI and lending to the customers.
 - This in turn will **reduce the liquidity** and demand in the market.
 - It is part of the **contractionary monetary policy**.
 - On the other hand, **decreased repo rate** will encourage banks to borrow and lend to customers increasing the liquidity and demand in the market. This is a part of the **Expansionary Monetary Policy**.

8th Feb, 2024

1. India-China bilateral trade hit a new record

GS 2 (International Relations)

- **Why in News:** As per latest details, India and China trade reached record levels in 2023 despite a slowdown mid-year.
- Key-highlights of the trade details
 - Bilateral trade volume reached 136.2 billion US dollars last year, with a year-on-year growth of 1.5%.
 - India's exports to China also increased by 6% last year.
 - The **bilateral trade deficit**, which India has been seeking to decrease could also be lower.



Trade Items	
India's top exports to China	India imports from China
Diamonds, cotton yarn, iron ore, copper and organic chemicals.	Electrical machinery and equipment, fertilizer, antibiotics and organic compounds.

• Why India's trade with China is important?

- **Top source of imports:** India's trade with China is important because, for the last 15 years, China has been India's top source of imports.
- In 2007-08, China's share in India's imports was around 10.8 per cent. It gradually went up and reached 16.4 per cent in 2017-18.
- It languished around 13.7 per cent for 2018-19 and 2019-20, but in the two post-Covid years (viz., 2020-21 and 2021-22), China's share in India's imports reached 16.53 per cent (record high) and 15.43 per cent, respectively.
- **Double share:** To put these numbers in perspective, in these two years, the second biggest source of imports for India was the UAE, with an import share of 6.7 per cent in 2020-21 and 7.31 per cent in 2021-22. These numbers indicate that China is not only India's biggest source of imports, but its share in total Indian imports is also more than **double that of the UAE**.
- **Dominance in non-oil merchandise imports:** In total non-oil merchandise imports, China's dominance is even more pronounced. As oil imports account for 25-30 per cent of India's total imports, India's dependence on China for non-oil imports can be as high as 25 per cent or more.
- **Export Market:** China is a big market for Indian exports, as well. China has been among the top four export markets for India in the last few years. After Covid, India's exports to China have gone up.
- **Improvements in Relations**
 - Over the past year, **China-India relations** have shown a positive momentum of improvement.
 - The two sides maintained high-level communications and interactions.
 - President Xi Jinping and Prime Minister Modi reached important consensus on stabilizing bilateral ties.
 - China supported India's presidency of both **G20 and SCO**.
- **Tensions at LAC :** Despite the multiple rounds, and the informal meeting between the leaders on the sidelines of the BRICS summit in South Africa last year, talks remain deadlocked on at least two friction points at **Demchok and**
- **Depsang. What are the other sources of contention between the two?**

- **No FTA:** India withdrew from the Regional Comprehensive Economic Partnership (RCEP) before signing a deal and consequently, there is no FTA between India and China right now.
- **Competing interests:** Despite growing economic cooperation, India and China have also been geopolitical rivals. Both countries are attempting to assert their global influence, and they have competing interests in a number of regions such as the **Asia-Pacific and the Indian Ocean**.
- **Rivalry:** India and China are rivals in the **Asia-Pacific region**.
 - **India** has sought to increase its regional influence, forming alliances with several countries in the region, including Japan and Australia.
 - **China**, on the other hand, has been attempting to assert its regional dominance by increasing its military and economic presence in the South China Sea.

2. Govt backs SC, ST sub classification

GS 2 (Governance)

• Why in News:

- The Centre supported in the Supreme Court the sub-classification of Scheduled Castes and Scheduled Tribes for grant of quota inside quota.
- A seven-judge Constitution bench headed by Chief Justice DY Chandrachud is examining the validity of its 2004 judgement. *
- The judgement had held that states do not have the power to further sub-classify SCs and STs for grant of quotas.

• Legality of Sub-categorisation within Castes

- In the last two decades, multiple States like Punjab, Bihar, and Tamil Nadu have tried to bring in reservation laws at the State level in a bid to sub-categorise SCs.
- However, all plans are held up in courts as the Supreme Court forms its larger Constitution Bench to decide the matter.
- **E. V. Chinnaiah v State of Andhra Pradesh (2004):**
 - i. In this case, apex court held that once a community is included in the Presidential List for Scheduled Castes under Article 341 of the Constitution, they become part of a single larger class of people, casting a wide net for the purposes of reservation.
 - ii. The Bench held:
 - a. that the State did not have the legislative power to create sub-classifications within this single class and
 - b. that such an action would violate the Right to Equality.
 - iii. The Constitution has provided that these lists can only be made by Parliament and notified by the President.
 - **Davinder Singh case**
 - i. In 2020, another five-member Supreme Court bench in the Davinder Singh case unanimously ruled that sub-categorisation is constitutionally valid and suggested a larger constitutional bench rule on the matter.
 - Matter referred to seven-judge bench
 - i. A seven-judge Constitution bench is now examining the validity of its 2004 judgment in **E V Chinnaiah vs State of Andhra Pradesh**.
 - ii. The top court is examining questions:
 - a. whether sub-classification inside the Scheduled Castes and Scheduled Tribes categories be permitted like in the case of other backward classes (OBCs) and

Quota policy should be organic and evolving, says SC; Govt backs SC, ST subclassification

ANANTHAKRISHNAN
NEW DELHI, FEBRUARY 7

RESERVATION POLICY should be "organic and evolving, not static," the Supreme Court observed Wednesday while hearing a reference on whether Scheduled Castes (SCs) and Scheduled Tribes (STs) can be sub-classified for providing affirmative action benefits.

The Centre told the court it favoured this sub-classification, saying it was "key... to achieve the 'actual objective' behind reservation to those 'who have had a history of discrimination for centuries' and 'ensures there is a trickle-down effect'."

A seven-judge Constitution bench is examining the validity of its 2004 judgment in **E V Chinnaiah vs State of Andhra Pradesh**, which held that SCs form a homogeneous group and there cannot be any sub-division among them. Headed by Chief Justice of India DY Chandrachud, the Bench comprises Justices B.R. Gavai, Vikram Nath, Bala M. Tsvelli, Pankaj Mishra, Manoj Misra and Sanjay Chandra Sharma.

The court's reservation, from Justice B.R. Gavai, came as Senior Advocate Shriharu Naphole, appearing for Tamil Nadu, sought to highlight what he contended were the errors in the 2004 judgment and said reservation policy must keep pace with "rapidly changing" social dynamics.

"Anyone who reads the daily newspaper would see that there is a sea change. Reservation policy must therefore keep pace with the social dynamics," said Naphole. Injecting, Justice Gavai responded, "It should be organic and evolving, not static."

"Correct. If you keep the reservation policy which was there 50 years back, it will get outdated. It will lose its connection with the contemporary situation," Naphole added. Appearing for the Centre, Solicitor General Tushar Mehta underlined that the Government "is committed to the declared policy of reservation for the backward classes." But he said, "lack of sub-classification perpetuates the sense of inequality within the reserved category and strips the State from framing appropriate policy in this regard."

The SC also pointed out that "reservation benefits available are not 'limited in nature... and therefore required to be re-evaluated rationally'." "In order to achieve the actual objective behind reservation, categorisation is key while maintaining the levels and extent of reservations) and proliferation and deepening of the reservation benefits is necessary. The sub-classification of the said benefits is a key measure which opens a long way to achieve the said objective," Mehta said.

Pointing out that the "concept of 'equality' and 'equal treatment' under the Constitution had evolved over the years," Mehta said "the legitimate state and federal institutions have to support the backward classes who have had a history of discrimination for centuries." And sub-classification, he added, is then "the actual purpose behind reservation." "The aim of the State and the Constitution is to provide parity, equality of opportunity and social and economic mobility of the backward classes (castes in need, enabling of sub-classification would ensure that benefits are extended to persons more in need of the said benefits by carefully apportioning the reserved quota within the reserved class..." "He said, Mehta pointed out that the 2018 SC ruling in **Jarnail Singh vs Lachman Narain Gupta** refers to "the broader object of amelioration of backward classes" and clarifies that this cannot be achieved "if only the creamy layer within that class (all the reserved jobs in the public sector and perpetuate themselves."

- b. if the state assemblies are competent to introduce laws empowering the states to undertake this exercise.
- Steps taken by the Union Government on the issue of sub-classification
 - Earlier steps :
 - i. The Union government had in 2005 considered legal options for sub-categorisation of SCs.
 - ii. At the time, the erstwhile Attorney General of India had opined that this could be possible but only if there was unimpeachable evidence to indicate a necessity.
 - iii. Also, the National Commission for Scheduled Castes (NCSC) and the National Commission for Scheduled Tribes (NCST) had opined that a constitutional amendment was not necessary.
 - a) They said that Article 16(4) of the Constitution already provided for States to create special laws for any backward classes it felt was under-represented.
 - b) They also argued that just setting aside a quota within the quota would not be enough.
 - c) Making sure existing schemes and benefits reach them on priority basis was more urgent.
 - Recent step:
 - i. In January 2024, Union government has formed a five-member committee of Secretaries, chaired by the Cabinet Secretary.
 - ii. The committee comprises the Secretaries of the Home Ministry, Law Ministry, Tribal Affairs Ministry, and Social Justice Ministry.
 - iii. The task of this committee is to assess and find a fair way to distribute benefits, programs, and initiatives to the most disadvantaged communities among the 1,200 Scheduled Castes in the country.
- Key highlights of the stand taken by the Centre
 - Highlighted the flaws in 2004 judgement
 - The Centre said:
 - i. the 2004 judgement disempowered the state to frame appropriate policy by sub-classifying the zone of reservation appropriately and
 - ii. diminished the constitutional guarantee of equality of opportunity.
 - Concept of equality operates at dual level
 - The concept of Equality of opportunities operates at a dual level:
 - i. between open category and backward classes – and
 - ii. secondly, it has to operate even within the backward classes inter-se.
 - The lack of sub-classification perpetuates the zone of inequality within the reserved category and estops the State from framing appropriate policy in this regard.
 - Reservation benefits available are limited in nature
 - The Centre said that the reservation benefits available are limited in nature.
 - The State can only provide for a limited number of seats in government higher education institutions and posts in the government services which are reserved.
 - The said seats and the posts are even otherwise a scarce commodity and therefore required to be re-distributed rationally.
 - Reservation is key to achieve the objectives of upliftment
 - In order to achieve the actual objective behind reservations, the rationalisation is key and proliferation and deepening of the reservation benefits are necessary.
 - Observations made by the apex court
 - Reservation policy should be organic and evolving, not static.
 - SC said that anyone who reads the daily newspaper would see that there is a sea change. Reservation policy must therefore keep pace with the social dynamics.

- If the government keeps the reservation policy which was there 50 years back, it will get fossilised. It will lose its connection with the contemporary situation

3. Why the Union Budget's Plans for Deep Tech and Research Funding are Significant GS 3 (Economy)

• Why in News:

- In her Interim Budget speech, Finance Minister announced a Rs 1 lakh crore fund to provide long-term, low-cost, or zero-interest loans for research and development.**
 - A new scheme to strengthen deep-tech capabilities in the defence sector that is likely to be followed up later was also announced.**
 - The separate announcements on the fund and defence deep tech are intricately linked, and must be seen together with the government's other plans for the R&D sector.**
- **Significance of the Deep Tech**

Why Budget plans for deep tech and research funding matter



AMITABH SINHA

Dr HDB Interim Budget speech, Finance Minister Nirmala Sitharaman announced a Rs 1 lakh crore fund to provide long-term, low-cost, or zero-interest loans for research and development.

Deep tech is a term used to describe cutting-edge research in nanotechnology, biotechnology, material sciences, quantum technologies, semiconductors, artificial intelligence, data sciences, robotics, 3D printing, etc. These technologies are expected to play a key role in addressing complex global challenges like climate change, hunger, epidemics, energy access, mobility, physical and digital infrastructure, and cyber security.

ALLOCATIONS IN INTERIM BUDGET 2024-25 (Rs)

	2024-25	2023-24	% Change
Department of Science and Technology	20000	18000	11.11
Department of Biotechnology	15000	13000	15.38
Department of Atomic Energy	10000	9000	11.11
Department of Space	8000	7000	14.29
Department of Electronics and Information Technology	7000	6000	16.67
Department of Telecommunications	6000	5000	20.00
Department of Information and Public Relations	5000	4000	25.00
Department of Science and Technology (Total)	61000	53000	15.09

The challenge of finding the right talent for deep tech is a major concern for the government. The budget provides for a new scheme to strengthen deep-tech capabilities in the defence sector, which is likely to be followed up later. The separate announcements on the fund and defence deep tech are intricately linked, and must be seen together with the government's other plans for the R&D sector.

i. Big Scope of Deep Tech in Addressing Challenges

- The term 'deep tech' is used to describe cutting-edge research in **nanotechnology, biotechnology, material sciences, quantum technologies, semiconductors, artificial intelligence, data sciences, robotics, 3D printing, etc.**
- **These technologies are** expected to play a key role in addressing complex global challenges like climate change, hunger, epidemics, energy access, mobility, physical and digital infrastructure, and cyber security.

ii. Economic Impact and Job Creation

- Advanced capabilities in deep tech are also **likely to enhance productivity and drive economic growth and create jobs in the coming years.**
- This **offers a competitive advantage to countries** with strong foundations in these areas.
- With its large base of relatively high-quality science and engineering manpower and a well-established technology culture, **India feels it is well placed to be one of the frontrunners in these areas.**

iii. Opportunities for Development

- There is a **significant scope to contribute to the development of these technologies**, ensuring early adoption, shares in intellectual property, indigenous know-how, and self-reliance.
- **Major associated benefits** in terms of spin-off technologies, trained manpower, entrepreneurship, and technology exports can grow as well.

• Initiatives by the Government to Build a Deep Tech Ecosystem

i. National Mission on Transformative Mobility and Battery Storage

- This mission **aims to drive innovation in the field of mobility and energy storage.**
- By providing a **focused platform and financial incentives**, the government encourages research and development in areas such as electric vehicles, advanced battery technologies, and sustainable mobility solutions.
- The mission is geared towards **addressing challenges related to environmental sustainability and energy efficiency.**

ii. National Quantum Mission

- **Recognising the transformative potential of quantum technologies**, the government has launched the National Quantum Mission.
- This initiative focuses on **fostering research and development in quantum computing, communication, and sensing.**
- Quantum technologies have the potential to revolutionise various industries, and the mission **aims to position India at the forefront of quantum advancements globally.**

iii. National Deep Tech Startup Policy (NDTSP)

- In addition to mission-driven approaches, **the government has crafted a policy framework to provide a conducive environment for companies operating in deep tech sectors.**

- The NDTSP has been **formulated to address specific challenges faced by technology startups and create a thriving ecosystem for their growth.**
- The NDTSP, **currently awaiting government approval, reflects a comprehensive approach to building a vibrant deep tech startup ecosystem in India**
- **Objectives and Key Components of NDTSP :**
 - The NDTSP is designed to achieve **several objectives**, including:
 - i. **Competitiveness:** Enable startups to compete globally by fostering innovation.
 - ii. **Collaboration:** Facilitate collaboration between startups and global counterparts.
 - iii. **Incentives:** Provide the right incentives for companies investing in innovation and research.
 - **The policy outlines key components to achieve its goals, such as:**
 - i. **Funding Opportunities:** Create avenues for long-term funding to support sustained innovation.
 - ii. **Intellectual Property Rights:** Establish a simplified but robust intellectual property rights regime.
 - iii. **Tax Incentives:** Provide tax incentives to encourage investment in deep tech startups.
 - iv. **Regulatory Framework:** Develop a conducive regulatory framework to streamline operations.
 - v. **Standards and Certifications:** Establish standards and certifications to ensure quality and reliability.
 - vi. **Talent Nurturing:** Focus on nurturing talent through skill development and educational initiatives.
 - vii. **Industry-Academia Collaboration:** Foster linkages between industry, research centres, and educational institutions to promote knowledge exchange.
- **The Challenge of Funding in Deep Tech Research :**
 - **Inadequate Research Funding Landscape**
 - a. **The lack of sufficient research funding** has been a consistent concern voiced by the scientific community.
 - b. **India's expenditure on research falls significantly below the global average**, especially in comparison to scientifically advanced nations that are direct competitors.
 - **Spending Targets and Reality**
 - a. For over two decades, the **Indian government has aimed to allocate a minimum of 2% of the GDP for research and development.**
 - b. While absolute spending has seen an increase, **the percentage of GDP devoted to research has declined in recent years.**
 - c. Presently, **India allocates merely around 0.65% of its national GDP to research and development activities, notably lower than the global average of about 1.8%.**
- **Government's Initiatives to Overcome the Challenges**
 - **Public-Private Collaboration as a Solution**
 - a. **Recent government decisions indicate a realisation** that substantial increases in research and development spending might be achievable **only through effective partnerships with the private sector.**
 - b. **Initiatives are underway to create synergies between industry, research laboratories, and educational institutions** to enhance both research activity and the funds available to support it.
 - **National Research Foundation (NRF)**
 - a. The National Research Foundation (NRF), **operational since recently, is a pivotal element in this strategy.**
 - b. It **aims to address the funding challenge by sourcing approximately 70% of its Rs 50,000 crore allocation over the next five years** from the private industry.
 - c. This **collaborative approach is envisioned to foster a more sustainable and robust ecosystem for deep tech research and development in India.**
- **The 1 Lakh Crore Corpus: Expectations, Optimism and Scepticism :**
 - **Expectations**
 - i. The allocation of a Rs 1 lakh crore corpus for financing research and development holds **significance in the quest to bolster the research ecosystem.**
 - ii. It will be **helpful particularly for startups and private sector ventures seeking seed funding.**
 - iii. The intended **beneficiaries are expected to kickstart projects**, and it is anticipated that these initiatives will acquire pace.
 - **Optimism and Scepticism**
 - i. While the government is optimistic about the potential impact of this substantial corpus, there is some scepticism among scientific community.
 - ii. **Previous expectations of a substantial infusion of private sector funds into research have not materialised, leading to uncertainty and concerns among researchers.**
 - iii. **Scientists argue that there is an imbalance in expectations**, with too much reliance on the private sector without a corresponding increase in government funding.
 - iv. **The unpredictability and inadequacy** of private sector finance pose significant challenges.
 - v. Presently, the government appears to place considerable reliance on the success of its new initiatives to inject funds into research.

- vi. However, **the budgetary allocations for science and research departments in the Interim Budget reveal only nominal increases.**

- **Conclusion**

- The success of the Rs 1 lakh crore corpus hinges on effective implementation, **ensuring prompt disbursement, minimising bureaucratic hurdles, and instilling confidence within the scientific community.**
- Balancing public and private sector contributions will be pivotal **in creating a sustainable and robust research and development ecosystem in India.**

4. **US, Russia clash at UN**

GS 2 (International Relations)

- **Why in News:** At a **UN Security Council meeting** on Ukraine, the United States accused Russia of firing at least nine **North Korean-supplied missiles** at Ukraine, while Moscow labelled Washington a **"direct accomplice"** in the downing of a Russian military transport plane last month.

- **US's claim:**

- Russia has launched **Democratic People's Republic of Korea (DPRK)**-supplied ballistic missiles against Ukraine on at least nine occasions.
- Their actions undermine long-standing obligations under **UN Security Council**
- Russia has stepped up ties with North Korea and other countries hostile to the United States such as Iran since the start of the war with Ukraine – relations that are a source of concern to the West.

- **Russia's claim:**

- A **Russian Air Force Il-76** fell from the skies in January this year. All 74 people on board, including 65 captured Ukrainian soldiers en route to be swapped for Russian prisoners of war, were killed, and blamed Kyiv for downing the plane.
- A **Patriot surface-to-air missile** was used to carry out the strike, which leaves no doubt the Washington is a direct accomplice in this crime as well

- **Patriot Missile**

- The Patriot, which stands for **Phased Array Tracking Radar for Intercept on Target**, is a **theater-wide surface-to-air missile defense system**.
- It is considered one of the most advanced air defense systems in the U.S. arsenal.
- The system was first used in combat during the 1991 Gulf War, with batteries protecting Saudi Arabia, Kuwait and Israel, and later used during the U.S. invasion of Iraq in 2003.
- It is a mobile system that usually includes powerful radar, a control station, a power generator, launch stations and other support vehicles.
- The system has different capabilities depending on the type of interceptor used.

5. **IRDAI proposes revising coverage across sectors to secure 'insurance for all'**

GS 2 (Governance)

- **Why in News:** The Insurance Regulatory and Development Authority of India (IRDAI) has proposed raising mandatory coverage under **Rural, Social Sector and Motor Third Party Obligations'** norms in an effort to

US, Russia trade barbs at UN over N Korea, Patriot missile strikes

REUTERS
UNITED NATIONS, FEB 7

THE UNITED States accused Russia on Tuesday of firing at least nine North Korean-supplied missiles at Ukraine, while Moscow labeled Washington a "direct accomplice" in the downing of a Russian military transport plane "using US-made Patriot missile" last month.

Russia's UN Ambassador Vassily Nebenzia and deputy US Ambassador to the UN Robert Wood traded the accusations at a UN Security Council meeting on Ukraine, requested by Moscow.

"To date, Russia has launched DPRK-supplied ballistic missiles against Ukraine on at least nine occasions," Wood told the 15-member Security Council. "Russia and North Korea must be held accountable," he said.

Both Moscow and Pyongyang

AID COLLAPSES DESPITE BIDEN PLEA

Washington: A Senate deal on border enforcement measures and Ukraine aid suffered a swift and total collapse Tuesday as Republicans withdrew support despite President Joe Biden urging Congress to "show some spine" and stand up to Donald Trump. Just minutes after Biden remarks at the White House, Senate Republican Leader Mitch McConnell emerged from a GOP luncheon and said the deal was dead.

have denied the US charges. Russia has stepped up ties with North Korea and other countries hostile to the US since the start of the war with Ukraine.

Insurance for all: IRDAI proposes obligatory life, health coverage in gram panchayats across India

GEORGE MATTHEW

NEW DELHI, FEBRUARY 7

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI) has proposed to make insurance coverage, including life, health and motor, obligatory on the part of insurance companies in gram panchayats across the country in order to achieve the objective of "insurance for all".

The minimum number of lives to be covered by all life insurance in gram panchayats in the country should be 30 per cent

in each gram panchayat subject to a minimum of 25,000 gram panchayats in the first year. IRDAI has proposed to make insurance coverage, including life, health and motor, obligatory on the part of insurance companies in gram panchayats across the country in order to achieve the objective of "insurance for all".

The minimum number of lives to be covered by all life insurance in gram panchayats in the country should be 30 per cent

motor/comprehensive and third party and lives under health and personal accident insurance. Over 40 crore people still don't have health insurance coverage in India. On motor third party insurance, the obligations are specified for goods carrying and passenger carrying vehicles, as nearly 50 per cent of the vehicles in India are uninsured.

These vehicles are important segments of the motor insurance business and widely exposed to third-party claims. "Every general

insurer is therefore required to underwrite at least 20 per cent increase over total number of goods carrying and passenger carrying vehicles in the first financial year of its operation, the regulator said.

Motor TP obligation fulfillment should be certified by removal of the existing vehicles and assessment of vehicles that are moved provided the gap in in-

insurance is at least 30 days. It said, Every new insurer should underwrite a minimum of 10,000 goods carrying and 10,000 passenger carrying vehicles in the first financial year of its operation, the regulator said. The insurers are allowed to keep off the obligations from out of the surplus to the extent of 20 per cent. The insurer who has sold the obligations will continue to be the insurer and should be responsible for servicing the insurance policy and settling claims under it.

achieve the objective of "**insurance for all**".

- **Snapshot of Indian Insurance market**

- i. The Indian Insurance market is expected to reach \$200 BN by 2027.
- ii. India is **9th largest Life Insurance Market**
- iii. **Insurance density in India** has increased from \$ 11.1 in 2001 to \$ 91 in 2021 (Life insurance- \$69, Non-life insurance – \$22)
- iv. **Insurance penetration in India** has been steadily increasing (from 2.7% in 2000 to 4.2% in 2021)
- v. **Ayushman Bharat PM-JAY** is the largest health assurance scheme in the world and is funded by the Government.

- **Insurance Regulatory and Development Authority or IRDA :**

- i. **Founded:** 1999
- ii. IRDA is an **autonomous body** that is responsible for managing the insurance industry of India, which covers both life insurance and general insurance companies.

- **Key-highlights of the Draft (Rural, Social Sector and Motor Third Party Obligations Regulations, 2024) :**

- i. A **new strategy and fresh approach** have been devised to boost insurance penetration in the country.
- ii. **Panchayat:** The minimum number of lives to be covered by all life insurers in **all gram panchayats** in the country should be 30 per cent in each **gram panchayat** subject to a minimum of 25,000 gram panchayats as driven by lead insurer in the first year.
- iii. This increases to 40 per cent lives subject to a minimum 50,000 gram panchayats and 50 per cent lives subject to a minimum of 75,000 gram panchayats in year 2 and 3 respectively.
- iv. **Dwellings:** The same formula will be applicable in the case of **dwellings** under fire insurance, motor (comprehensive and third party) and lives under health and personal accident insurance.
- v. Over 40 crore people still don't have health insurance coverage in India.
- vi. On motor third party insurance, the obligations are specified for goods carrying and passenger carrying vehicles as nearly 50 per cent of the vehicles in these 2 categories are uninsured.
- vii. These vehicles are important segments of the motor insurance business and widely exposed to third party claims.
- viii. Every general insurer is therefore required to underwrite at least 20 per cent increase over total number of goods carrying and passenger carrying vehicles as compared to what was covered in the last financial year or 20,000 vehicles under these categories or 10,000 vehicles in each category, whichever is higher.

- **Government social security schemes**

- i. Insurance business pertaining to **Government social security schemes** such as **Pradhan Mantri Awas Yojana, Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJY)** where total or partial premium is paid by the government, with or without any contribution from the members/ beneficiaries covered should be considered for rural and social sector obligations.
- ii. **BPL cardholders, MNREGA cardholders, eShram cardholders, DBT beneficiaries, Ayushman Bharat cardholders, Pradhan Mantri Mudra Yojana beneficiaries, Jan Dhan account holders, beneficiaries of PM Kisan Samman Nidhi Yojana and PM Viswakarma Yojana** would qualify for Social Sector Obligation.

- **Significance of the move :**

- The aim is to “enhance the ease of doing business and also reduce compliance burden for stakeholders while also ensuring that interests of policyholders continue to be protected”.
- It was viewed that a new strategy is necessary to achieve the objective of ‘Insurance For All’.

6. World Sustainable Development Summit (WSDS) 2024 GS 3 (Environment)

- **Why in News:** The Vice-President inaugurated the World Sustainable Development Summit in New Delhi recently.
- **About the World Sustainable Development (WSDS) Summit:**
 - It is the annual flagship event of the Energy and Resources Institute (TERI).
 - Instituted in 2001, the Summit series has a legacy of over two decades of making ‘sustainable development’ a globally shared goal.
 - It is the only independently convened international summit on sustainable development and environment, based in the Global South.
 - WSDS strives to provide long-term solutions for the benefit of global communities by assembling the world’s most enlightened leaders and thinkers on a single platform.
 - WSDS 2024 is the 23rd edition of the summit.
 - WSDS 2024 will take place on the theme ‘Leadership for the Sustainable Development and Climate Justice’.
- **Key Facts about The Energy and Resources Institute (TERI):**
 - TERI is a leading think tank dedicated to conducting research for the sustainable development of India and the Global South.
 - It is an independent, multi-dimensional organisation, with capabilities in research, policy, consultancy, and implementation.
 - **History:**
 - I. TERI was established in 1974 as an information centre on energy issues.
 - II. Research activities, initiated towards the end of 1982, were rooted in TERI’s firm conviction that efficient utilisation of energy and sustainable use of natural resources would propel the process of development.
 - Its work across sectors is focused on:
 - I. Promoting efficient use of resources
 - II. Increasing access to and uptake of sustainable inputs and practices
 - III. Reducing the impact on the environment and climate
 - It is headquartered in New Delhi.

9th Feb, 2024

1. Charting a Path for the Population Committee GS 2 (Governance)

• Why in News:

- The announcement of a high-powered committee in the interim Budget to address the challenges arising from rapid population growth and demographic changes marks a groundbreaking initiative.**
- With a broad mandate aligned with the goal of 'Viksit Bharat,' this committee is anticipated to formulate policies and strategies crucial for managing population growth in India.**
- Therefore, it is important to understand the multifaceted aspects of India's demographic landscape to achieve inclusive and sustainable development.**
- India's Demographic Landscape: Demographic Shifts and Projections**
- Decline in Fertility Rates**
 - Historically, India experienced rapid population growth until the 1970s. However, a significant turning point emerged with a visible decline in fertility rates.
 - The **Total Fertility Rate (TFR)**, a critical metric reflecting the average number of children per woman, has witnessed a notable reduction from 2.5 in 2009-11 to a projected 1.73 in 2031-35.
 - This **downward trend signals a demographic transition** influenced by factors such as increased urbanisation, enhanced educational opportunities, and evolving societal norms.
- Changing Reproductive Behaviour**
 - The diminishing fertility rates can be attributed to a **transformation in women's reproductive behaviour.**
 - With women opting to have fewer children**, there is a consequential impact on the overall demographic landscape.
 - Contributing factors include greater access to education, career opportunities, and changing perceptions about family size.**
 - This shift reflects not only individual choices but also broader societal changes** influencing family planning practices.
- Demographic Dividend**
 - Simultaneously, the **working-age population in India is on the rise**, presenting a demographic dividend.
 - This demographic configuration**, characterised by a higher concentration of individuals in the productive age group, **creates opportunities for accelerated economic growth.**
 - As the proportion of the child population decreases, and the working-age population increases, **there is potential for increased productivity, innovation, and economic output.**
 - This demographic dividend, if effectively harnessed, can be a **driving force for India's socio-economic development.**
- Aging Population**
 - While the working-age population grows, **there is also a steady rise in the elderly population, contributing to the overall aging demographic and this presents a dual challenge and opportunity.**
 - Challenges include addressing healthcare and social support needs for the elderly**, while the opportunity lies in leveraging the wisdom and experience of this segment for societal benefit.
- Population Projections**
 - According to the latest projections by the United Nations, **India's population is anticipated to reach 1.46 billion by 2030, constituting a substantial 17% of the world's projected population.**
 - This underscores India's significant demographic presence on the global stage.
 - Although the population is still growing, **the growth rates have slowed, signifying a maturing demographic profile.**
- Multifaceted Challenges Associated with India's Demographic Landscape**
 - Access to Quality Healthcare**
 - Despite commendable progress in certain healthcare indicators, **ensuring universal access to quality healthcare remains a challenge in India.**

Charting a path for the population committee

The announcement in the interim budget of a high-powered committee to address the challenges arising from rapid population growth and demographic changes is a landmark move.

Given the multifaceted nature of these challenges, the committee must adopt an interdisciplinary approach, drawing expertise from fields such as demography, public health, economics, sociology, and governance.

Through rigorous research, data analysis, and a monitoring of demographic trends, the committee should identify emerging issues and formulate evidence-based policy interventions. Collaboration with various stakeholders, including government agencies, non-governmental organisations, civil society groups, academia, and the private sector, is crucial to ensuring the relevance and effectiveness of the committee's recommendations.

Past, present and future
India's demographic landscape has undergone significant shifts over the years. With women having fewer children, the fertility rate has declined steadily, leading to a demographic transition. However, managing the opportunities and challenges presented by these demographic changes will require a holistic approach that addresses economic and social development alongside population management.

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Multifaceted Challenges Associated with India's Demographic Landscape

Access to Quality Healthcare

Despite commendable progress in certain healthcare indicators, ensuring universal access to quality healthcare remains a challenge in India.

G. Chandramouli
is a senior business journalist and a columnist for the business and economic section of the newspaper.

The demographic dividend, resulting from a reduction in the fertility rate and an increase in the working-age population, presents an opportunity for accelerated economic growth per capita.

However, realising this potential requires investments in health, education, and skill development to harness the demographic dividend effectively. Projections for the future indicate that the proportion of the working-age population is projected to increase, giving India an opportunity to capitalise on its demographic advantage.

Investing in the health of a favourable age structure, while ensuring that the younger workforce is equipped with the necessary skills and knowledge, is crucial for realising the demographic dividend. This involves expanding access to quality health care and education for every segment of the population.

The committee needs to adopt an interdisciplinary approach if it is to tackle issues that affect various segments of the population, including the elderly, the working-age population, and the young.

India's demographic landscape presents both opportunities and challenges for the country's socio-economic development. Addressing these challenges requires a holistic approach that addresses economic and social development alongside population management.

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Access to Quality Healthcare

Despite commendable progress in certain healthcare indicators, ensuring universal access to quality healthcare remains a challenge in India.

- **Public spending on health hovering around 1% of GDP** underscores the need for a significant boost in resources.
- **Initiatives to strengthen primary healthcare**, particularly in rural areas, have **shown positive results** in child and maternal health, leading to higher life expectancies.
- However, **persistent challenges, such as nutritional deprivation among children, demand concerted efforts.**
- **Addressing these challenges requires targeted interventions**, including access to essential commodities, nutrition programs, and improvements in water availability and sanitation.
- **Education and Skill Development Challenges**
 - Investments in education and skill development are crucial components for harnessing India's demographic dividend.
 - **The disruptions caused by the COVID-19 pandemic have further highlighted the challenges** in this domain. For example, over 250 million children forced out of school during the pandemic have caused significant setbacks in learning outcomes.
 - **UNICEF projects that nearly 47% of Indian youth may lack the necessary education and skills for employment by 2030.**
 - **Bridging this gap requires increased investment in nutrition, early childhood education, and the inclusion of pre-primary education** in the Right to Education Act.
 - Additionally, **efforts to align skill development initiatives with industry requirements are essential** to reduce unemployment and enhance productivity.
- **Gender Disparities in Employment**
 - Ensuring inclusive and sustainable development also **involves addressing gender disparities in the workforce.**
 - **Empowering the female labour force** and increasing their participation rate is **vital for maximising the demographic potential.**
 - **Efforts should focus on creating new job opportunities, integrating the informal sector with the formal sector,** and dismantling barriers that hinder women's access to employment.
 - **Achieving gender parity in the workforce is not only a matter of social justice but also a strategic imperative for economic growth.**
- **Evidence-Based Decision Making**
 - A critical challenge for evidence-based policy is the **availability of accurate and timely data.**
 - **India faces significant challenges regarding the non-availability of current and reliable data on its population,** which hampers evidence-based policymaking.
 - It is crucial that the **population committee includes improvements in data collection methodologies, technology adoption, capacity building,** and collaboration with stakeholders.
 - **Necessary Measures to Enhance the Reliability and Accessibility of Demographic Data.**
 - **Need for A Comprehensive Framework for Data Collection on Population**
 - India needs to invest in **modernising its data infrastructure, which includes establishing robust systems for data collection,** management, and analysis.
 - This involves upgrading data collection methods, adopting digital technologies for data processing, and ensuring data security and privacy.
 - **Regular and comprehensive national censuses** and surveys are crucial for collecting demographic data.
 - India should **prioritise the timely and accurate execution of these initiatives,** ensuring coverage of all population segments, including marginalised and hard-to-reach populations.
- **Implementation of Audits and Quality Check**
 - **Implementing rigorous validation and quality assurance mechanisms** is essential to ensure the reliability and accuracy of population data.
 - Independent audits, data validation exercises, and peer review processes can **help identify and rectify data errors and inconsistencies.**
 - It would be vital for the committee to explore the feasibility of including such quality assurance methods within the statistical system.
- **Open Data Sharing Mechanism**
 - Another promising area is the **promotion of open data initiatives and transparency in data sharing, which can facilitate access to population data for researchers, policymakers, and the public.**
 - **Making population data freely available in standardised formats promotes data reuse,** transparency, and accountability.
 - **International Collaboration:** Collaboration with international organisations such as the United Nations Population Division, World Bank, and academic institutions can **provide access to global best practices, technical expertise, etc.**
- **Conclusion**
 - **India's demographic landscape presents both opportunities and challenges** for the country's socio-economic development.

- ph : 9100791003

- **Deposits and Transactions:** No further deposits, credit transactions, or top-ups allowed after February 29, 2024, except for interest, cashbacks, or refunds.
- **Banking Services:** No fund transfers, Bharath Bill Pay, or UPI facility after February 29, 2024.
- **Nodal Accounts:** Termination of One97 Communications Ltd and Paytm Payments Services Ltd nodal accounts by February 29, 2024.
- **Pipeline Transactions:** Settlement of initiated pipeline transactions by March 15, 2024.
- **Why did Paytm Payments Bank come under RBI lens?**
 - **Non-KYC accounts:** Hundreds of accounts created on Paytm Payments Bank without proper identification were one of the major reasons for the Reserve Bank of India to impose stringent curbs on the company.
 - **Potential money laundering:** These accounts with inadequate Know-Your-Customer (KYC) conducted transactions worth crores of rupees on the platform, leading to fears of potential money laundering.
 - **Same PAN:** More than 1,000 users were found to have linked the same Permanent Account Number (PAN) to their accounts.
 - **China connection:** In 2015, Paytm secured a significant stake from the Chinese e-commerce giant Alibaba Group. Mediatek, the Taiwanese chip major had also invested in Paytm in 2016.
- **Potential impact of the Move**
 - **Impact on users:** It might lead to widespread disruption and chaos in retail payment space.
 - **Competition:** It might have positive effect on other players such as Phonepe and Gpay.

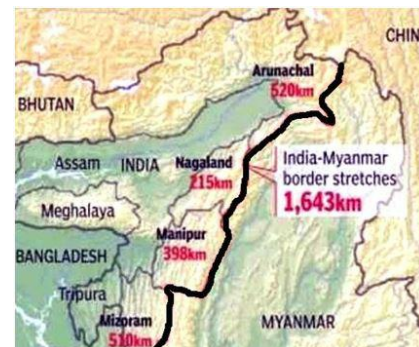
3. India-Myanmar Free Movement Regime (FMR)

GS 2 (International Relations)

- **Why in News:** The central government has decided to scrap the India-Myanmar Free Movement Regime (FMR).
- **Need of the move**
 - Myanmar is currently under military dictatorship.
 - The country is facing the rebellion of ethnic armed groups and pro-democracy forces.
 - Due to the crisis, there has been a significant influx of people from Myanmar bordering Indian states.
- **What is Free Movement Regime between India and Myanmar?**
 - The FMR came into existence in 1918 as a part of **India's Act East policy**.
 - It allows **cross-border movement up to 16 km without a visa**.
 - The agreement was brought to facilitate local border trade, improve access to education and healthcare for border residents, and strengthen diplomatic ties.
 - Under the agreement, individuals were also allowed to up to two weeks in the neighbouring country by getting a **one-year border pass**.
- **Myanmar Border Sharing**



- India and Myanmar share a **1,643-km-long porous border** which is shared by multiple North Indian states like **Mizoram, Manipur, Nagaland, and Arunachal Pradesh**.
- Manipur** shares approximately 390 km of a porous border with Myanmar with only about 10 km fenced as of now.
- Mizoram** has a porous border spanning 510 kilometres with Myanmar.
- Arunachal Pradesh** shares a 520-kilometre border with Myanmar
- Nagaland's border** with the country spans 215 kilometres.
- Currently, all these states come under FMR.



4. [Cabinet approves Rs 6,000 crore fishery scheme](#)

GS 3 (Economy)

• **Why in News:**

- The government announced a **Rs 6,000 crore scheme** in order to **formalise the unorganised fisheries sector**, facilitate institutional finance to **micro and small enterprises** and promote **aquaculture insurance**.
- The government also decided to extend the **Fisheries Infrastructure Development Fund (FIDF)** for another three years up to 2025-26 within the already approved fund of Rs 7,522.48 crore and budgetary support of Rs 939.48 crore.

• **Fisheries Infrastructure Development Fund (FIDF)**

- Established in:** 2018-19
- Nodal Implementing Agency:** National Fisheries Development Board (NFDB), Hyderabad
- FIDF envisages **creation of fisheries infrastructure** facilities both in marine and inland fisheries sectors and augment the fish production to achieve the target set under the **Blue Revolution**.

• **What is this new scheme?**

- The Union Cabinet approved the **Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY)**.
- PM-MKSSY** is central sub-scheme under the **Pradhan Mantri Matsya Sampada Yojana (PMMSY)**.
 - Pradhan Mantri Matsya Sampada Yojana (PMMSY)**
 - Nodal Agency:** Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying
 - PMMSY was introduced as part of the '**AtmaNirbhar Bharat**' package with an investment of **Rs. 20,050 crores**, the **highest-ever investment** in this sector.
 - The scheme is being implemented in **all States and UTs** for a period of 5 years from FY 2020-21 to FY 2024-25.
 - The Government has launched the PMMSY for the **development of marine & inland fisheries**.
 - There are provisions of **Ban Period Support to fishermen** (during the period fishing is not permitted).
 - The focus is on **Islands, Himalayan States, and North-east & Aspirational Districts**.
- Target group:** fishermen, fish farmers, fish workers, micro and small enterprises, and fish farmers producers organisations, among others.
- Objectives:** To formalise the fisheries sector while focusing on micro and small enterprises in all states and Union Territories.

Cabinet approves new fisheries scheme

The Hindu Bureau
NEW DELHI

The Union Cabinet on Thursday approved the Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana, a sub-scheme under the Pradhan Mantri Matsya Sampada Yojana, for the micro and small enterprises operating in the fisheries sector.

It is expected to have investment of ₹6,000 crore

in the next four years.

The meet, chaired by Prime Minister Narendra Modi, approved the extension of Fisheries and Aquaculture Infrastructure Development Fund till 2026.

Extension of the fund, the Centre said, would intensify development of various infrastructure such as fishing harbours, fish landing centres, ice plants, cold storage, and fish transport facilities.

- It will also address issues of **aquaculture crop losses** due to disease through insurance and enhance export competitiveness through value addition, value realization and value creation.
- **Funding:** Rs 6,000 crore
- About 50 per cent i.e. Rs 3,000 crore will come from **public finance** including the **World Bank and the AFD external financing**.
- The remaining 50 per cent is expected from the beneficiaries and private sector.
- **Period:** four years from 2023-24 to 2026-27 fiscal years
- **Significance:**
 - **Employment generation:** The sub-scheme is projected to generate about 1.7 lakh new jobs, with a special emphasis on employing 75,000 women.
 - **Opportunities in MSME:** It also aims to generate 5.4 lakh continued employment opportunities in the micro and small enterprises (MSME) value chain.
- **Fisheries Sector of India**
 - India is the third largest fish producing country, contributing **8 percent to the global fish production and ranks second in aquaculture production**.
 - India is the **4th largest exporter of fish and fisheries products**.
 - **100% FDI** is allowed under the automatic route in **pisciculture** and aquaculture sector in India.
 - **Key Policy Decisions**
 - Blue Revolution Scheme
 - Creation of a new Ministry of Fisheries, Animal Husbandry & Dairying
 - Separate Department of Fisheries with the independent administrative structure
 - Fisheries and Aquaculture Infrastructure Development Fund (FIDF)
 - Pradhan Mantri Matsya Sampada Yojana (PMMSY)
 - Sagar Parikrama
 - PM Gati Shakti Master Plan

5. [400 Smart City Mission projects to miss June 30 deadline](#)

GS 2 (Governance)

- **Why in news:**
 - The Parliamentary Standing Committee on Housing and Urban Affairs has submitted its report on the evaluation of the Smart Cities Mission presented in the Lok Sabha.
 - The report said that 400 projects, out of the 7,970, worth Rs 22,814 crore would take beyond December 2024 to complete.
 - Last year, the Ministry had extended the mission's deadline from June 2023 to June 2024.
- **Smart Cities Mission(SCM)**
 - **About**
 - **It was launched on 25 June, 2015**, with the objective to **promote cities that provide core infrastructure, clean and sustainable environment**.

400 Smart City Mission projects to miss June 30 deadline, states must take over, panel told

EXPRESS NEWS SERVICE
NEW DELHI, FEBRUARY 8

SOME PROJECTS under the Smart Cities Mission would not be able to meet the June 30 deadline and the respective state governments would be responsible for completing them thereafter, Union Housing and Urban Affairs Secretary Manoj Joshi told the Parliamentary Standing Committee on Housing and Urban Affairs.

In its report on the evaluation of the Smart Cities Mission presented in the Lok Sabha on Thursday, the committee said the ministry had informed that 400 projects, out of the 7,970, worth Rs 22,814 crore would take beyond December 2024 to complete. Last year, the Ministry had extended the mission's deadline from June 2023 to June 2024.

"The ministry has stated before the committee that in case of non-completion of these projects within the extended time frame, the state governments concerned will have to complete the projects at their own cost. The committee is of the strong opinion that the ministry's role should not be confined to transfer of their share regarding mission/scheme/project, but they have to remain watchful for the execution and successful completion of the projects," the report said.

The committee, chaired by JDU MP Rajiv Ranjan Singh, was told by Housing and Urban Affairs Secretary Manoj Joshi that the ministry did not want to extend the mission further.

Among the reasons cited by the ministry for the delays were difficulties in resettlement of local population and legal issues such as land procurement. Frequent transfers of smart cities' CEOs and delay in projects that require convergence with other government ministries or agencies were also flagged.

As on December 1, the ministry said that out of 7,970 projects worth Rs 1,70,400 crore in the 100 cities, 6,419 projects worth Rs 1,25,105 crore have been completed and 1,551 projects worth Rs 45,295 crore are underway. Among the cities lagging behind were North-Eastern, Himalayan cities and those in small Union Territories.

"Progress of work is from 80% to 100% in 57 cities amongst which Madurai is the only Smart City which has completed 100% of smart city projects by December 2023. However, progress of work is 50% or below 50% in 14 cities, Gangtok, Aizal Nagar, Shillong, Silvassa, Hanagar, Puducherry, Saharanpur and Port Blair have completed only 16%, 23%, 24%, 28%, 31%, 32%, 33% and 39% of projects so far respectively," it said.

The committee recommended that the next phase of the mission be brought for "tier-2 cities in the radius of 50-100 km of capital cities and tourist hubs. The committee also recommended that the right to privacy be protected, given that the mission had led to installation of over 76,000 CCTV cameras. Integrated Command and Control Centres in all 100 cities, and light violation detection and smart health systems.

- **100 cities** have been selected to be developed as Smart Cities (through a two-stage competition) in various rounds from 2016 to 2018, with **each getting five years from their selection to complete the projects.**
- It is a **Centrally Sponsored Scheme** under the **Union Ministry of Housing and Urban Affairs (MoHUA).**
- The Central Government will give financial support to the extent of Rs. 48,000 crores over 5 years i.e., on an **average 100 crore per city per year.**
- An equal amount on a matching basis is to be provided by the State/ULB.

○ Principles

- The six fundamental principles on which the concept of Smart Cities is based are:



○ Objective of SCM

- It will ensure a decent quality of life to their citizens through the application of '**smart solutions**'.
- It aims to **drive economic growth and improve quality of life** through comprehensive work on social, economic, physical and institutional pillars of the city.
- The focus is on **sustainable and inclusive development** by creation of replicable models which act as lighthouses to other aspiring cities.

○ Financing of Smart Cities Mission

- The Smart Cities Mission in India is a Centrally Sponsored Scheme.
- It requires state governments and urban local bodies (ULBs) to contribute an equal amount for implementing projects under the Smart City Proposal (SCP).

○ Progress report

- As on December 1, 2023, out of 7,970 projects worth Rs 1,70,400 crore in the 100 cities, 6,419 projects worth Rs 1,25,105 crore have been completed.
- 1,551 projects worth Rs 45,295 crore are underway.
- Among the cities lagging behind were North-Eastern, Himalayan cities and those in small Union Territories.

○ Budget allocation

- The outlay in the Smart Cities' proposal fell from Rs 7,634 crore to Rs 7,535 crore in the revised budget of 2023-24, with a major slash in the 2024-25 outlay to Rs 2,236 crore.

● Key highlights

○ State governments will have to take over

- In case of non-completion of these projects within the extended time frame, the state governments concerned will have to complete the projects at their own cost.
- **Role of ministry not limited to transfer of their share regarding**
 - The ministry's role should not be confined to transfer of their share regarding mission/scheme/project.
 - However, they have to remain watchful for the execution and successful completion of the projects.
- **No further extension**
 - The report said that the ministry did not want to extend the mission further.
- **Reasons for the delay**
 - Among the reasons cited by the ministry for the delays were difficulties in resettlement of local population and legal issues such as land procurement.
 - Frequent transfers of smart cities' CEOs and delay in projects that require convergence with other government ministries or agencies were also flagged.
- **Recommendations**
 - The committee recommended that the next phase of the mission be brought for Tier-2 cities in the radius of 50-100 km of capital cities and tourist hubs.
 - The committee also recommended that the right to privacy be protected, given that the mission had led to installation of over 76,000 CCTV cameras, Integrated Command and Control Centres in all 100 cities, red-light violation detection and smart health systems.

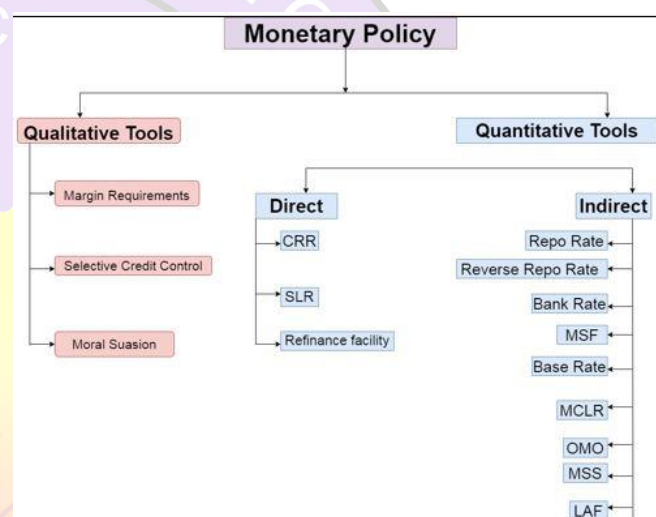
6. RBI's Monetary Policy Committee Takeaway

GS 2 (Economy)

- Why in News:** The Reserve Bank of India's Monetary Policy Committee (MPC), in its sixth meeting, maintained a *status quo* on the **repo rate**. In another significant step, it extended the **Key Fact Statement (KFS)** requirements to cover all retail and MSME loans.
- Key-Takeaways:**
 - The Reserve Bank of India's Monetary Policy Committee has decided to keep the policy repo rate unchanged at 6.5%.
 - CPI for FY24 is projected at 5.4%, while its likely to be at 4.5% in FY25. RBI has pegged real GDP growth for FY25 at 7%.
 - Retail inflation to average 5.4% this fiscal, to come down to 4.5% in FY25
 - Monetary transmission by financial institutions still remains incomplete
 - Current economic momentum to sustain in the next fiscal
 - RBI to introduce an offline functionality in CBDC-Retail for transactions in areas with poor or limited internet connectivity.
 - RBI will review regulatory framework for electronic trading platforms to enable market makers access offshore ETPs offering permitted Indian Rupee products
 - RBI asked lenders to provide **key fact statement (KFS)** about the terms of the loan agreement, including all-inclusive interest cost, to borrowers for retail as well as MSME loans
- What Is the Key Fact Statement (KFS)?**

[illegible]

- The KFS is a **concise document** that provides borrowers with essential information about their loan agreements. It serves as a financial compass, guiding borrowers through the intricacies of borrowing.
- **All-Inclusive Interest Rate:** The KFS includes the actual annualized interest rate, which encompasses not only the base interest but also any additional charges, fees, and penalties associated with the loan.
- **The change:** The **Key Fact Statement (KFS)** requirements now cover all retail and MSME loans. Previously, this mandate was applicable only to specific categories of lenders, but now it applies across the board. Let's break down what this means and why it matters:
- **Why Is the KFS Important?**
 - **Transparency:** Borrowers often skim through lengthy loan documents, missing critical details. The KFS ensures transparency by spotlighting the complete cost of borrowing. Whether it's processing fees, documentation charges, or penalties, borrowers will know exactly what they're paying for.
 - **Empowering Borrowers:** Armed with this knowledge, borrowers can compare loan offers effectively. They'll be better equipped to choose the most suitable loan for their needs.
- **What Is the Monetary Policy?**
 - Monetary policy refers to the policy of the central bank with regard to the use of monetary instruments under its control to achieve the goals specified in the Act. The amended RBI Act, 1934 also provides for the inflation target ($4\% \pm 2\%$) to be set by the Government of India, in consultation with the Reserve Bank, once in every five years.
 - The **Urjit Patel Committee** proposed the idea of an MPC, aiming for transparency and accountability.
- **What is Monetary Policy Committee(MPC):**
 - **Objective:** The MPC's primary responsibility is to set the **repo rate**, which serves as the key policy instrument for managing inflation. Currently, the RBI aims to maintain an **inflation target of 4%**.
 - **Composition:** The committee comprises six members:
 - **Three officials from the RBI:** These internal members bring expertise in monetary matters.
 - **Three external members:** Nominated by the Indian government, these experts contribute diverse perspectives.
 - **Decision-Making Process:**
 - The MPC convenes at least four times a year (quarterly) to deliberate on monetary policy.
 - After each meeting, it publishes its decisions, ensuring transparency and accountability.
 - During the "silent period" (seven days before and after rate decisions), utmost confidentiality is maintained.
 - **Inflation Targeting**
 - The current mandate of the MPC is to **maintain 4% annual inflation** until 31 March 2026.
 - The upper tolerance for inflation is 6%, while the lower tolerance is 2%.
 - **Governor's Role:** The RBI Governor serves as the ex-officio chairperson of the MPC. In case of a tie, the Governor has the casting vote.
 - **Role of the Reserve Bank**
 - The Monetary Policy Department (MPD) assists the MPC in formulating monetary policy.



- Views from key stakeholders and analytical work contribute to policy decisions.
- The Financial Markets Operations Department (FMOD) operationalizes monetary policy through liquidity management.

7. Decoding White Paper on the Indian Economy GS 3 (Economy)

• Why in News:

- The Union Finance Minister presented a “White Paper” on the Indian economy (prepared by the Ministry of Finance) in the Lok Sabha.

- The government had announced in the Union Interim Budget that it would come out with a 'White Paper' to compare the economic performance of 10 years of the Congress-led UPA govt with that of 10 years of the BJP-led NDA govt.

• What is a White Paper?

- A white paper typically provides information about a specific issue to make people aware of the nature and scope of the problem and the possible ways to resolve it.
- Apart from governments, a white paper is often used by businesses and other agencies to showcase their products and promote them.

- One of the earliest instances of a government presenting a white paper is of 1922, when then British PM Winston Churchill introduced one to detail his government's policy on Palestine.

- In India,

- There are no specific guidelines on the issue or tabling of white papers.
- The Opposition is well within its right to demand a white paper from the government on issues which it needs clarity on. For example, they demanded one on black money recently, demonetisation, etc.
- In the last 10 years, the incumbent government tabled only two white papers – the other one on the Railways in 2014, detailing freight and fare rationalisation, capacity augmentation, etc.
- Is the One Presented by the FM a White Paper, and Why is it Being Presented Now?

- In the sense of the above definition, what was presented in the Indian Parliament is not exactly a white paper because, it is a comparison between the record of two governments on a variety of economic parameters.

- The document explains why the white paper is being presented at the end of 10 years instead of at the start.

- According to the incumbent government, it refrained from bringing out a white paper on the poor state of affairs then.
- The need of the hour then was to give hope to the people, to attract investments, both domestic and global and to build support for the much-needed reforms.
- Highlights of the White Paper on the Indian Economy and its Objectives:

- The 58-page white paper has three main parts.

What white paper says—and doesn't

The govt has come out with a white paper on the Indian economy, comparing its performance over 10 years with the UPA decade. It has attacked its predecessor for 'abandoning reforms' and 'policy paralysis'

UDYT MISRA

NEW DELHI, FEBRUARY 8

FINANCE MINISTER Nirmala Sitharaman presented a "white paper" on the Indian economy in Parliament Thursday. The document, which has been prepared by the Ministry of Finance, essentially compares the 10-year record of economic governance under the Congress-led UPA governments (between 2004-05 and 2013-14) with the 10-year record of the BJP-led NDA governments (between 2014-15 and 2023-24).

What is a white paper, and is this one?
A white paper typically provides information about a specific issue. Government may present a white paper – say, on black money – to make people aware of the nature and scope of the problem and the possible ways to resolve it.
In that sense, what was presented in Parliament is not exactly a white paper because it is a comparison between the record of two governments on a variety of economic parameters. A comprehensive review of the state of the Indian economy as things stand in 2024, when the incumbent government first took charge, would have been a white paper on the economy.

Why is it being presented now?
The document explains why the white paper is being presented at the end of 10 years instead of at the start. The government refrained from bringing out a white paper on the poor state of affairs then. That would have given a negative narrative and shaken the confidence of all stakeholders. The need of the hour was to give hope to the people, to attract investments, both domestic and global and to build support for the much-needed reforms.
What is its objective?
There are four stated objectives. It seeks to inform everyone of the nature and extent of economic, financial and fiscal crises that were bequeathed to the NDA government when it assumed office in 2014. Two, it informs about "the policies and measures that NDA government took to restore the health of the economy" since 2014. Three, it "hopes to generate a wider, more informed debate on the sustainability of national interest and fiscal responsibility in matters of governance over political expediency."
Four, and it quotes Prime Minister

UPA AND NDA YEARS: WHAT SOME CRUCIAL NUMBERS SAY

Financial Year	Domestic GDP growth (rate %)	Real GDP growth (rate %)	Financial Year	Domestic GDP growth (rate %)	Real GDP growth (rate %)
2004-05	9.43	7.82	2014-15	10.59	7.41
2005-06	13.99	7.52	2015-16	10.46	8
2006-07	17.14	8.06	2016-17	11.76	8.26
2007-08	15.14	7.66	2017-18	11.01	6.4
2008-09	12.56	3.09	2018-19	10.59	6.45
2009-10	15.46	7.86	2019-20	6.37	3.87
2010-11	15.02	6.5	2020-21	1.36	-5.83
2011-12	14.43	5.24	2021-22	18.36	9.05
2012-13	13.62	5.46	2022-23	16.65	7.24
2013-14	12.97	6.39	2023-24	8.87	7.52
AVERAGE OF UPA YEARS			AVERAGE OF NDA YEARS		
10.59%			10.59%		
7.82%			7.52%		

Source: MoF and CBS, Year-on-Year % of Domestic GDP



The white paper was presented in Parliament by Finance Minister Nirmala Sitharaman.

Source: MoF and CBS, Year-on-Year % of Domestic GDP

Narendra Modi's speech on last year's Independence Day, "to commit ourselves to national development, with new initiatives, new consciousness, new resolutions, at the country opening up immense possibilities and opportunities."

What does it say?
The 58-page white paper has three main parts.

Part 1 discusses the macroeconomic situation during the 10 years of UPA rule. Part 2 provides the "current status of the various corruption scams of the UPA government." Part 3 shows how the NDA "turned the economy around."

Here are some of the most important claims in the white paper.

■ The UPA government inherited a healthy economy ready for more reforms, but made it non-performing in 10 years.

■ UPA abandoned economic reforms.

■ It is a quest to maintain high economic growth by any means after the Global Financial Crisis of 2008. UPA severely undermined the macroeconomic foundations. For instance, it underpinned high inflation, high fiscal deficit or the money borrowed to meet expenses, and high proportion of bad loans in the banking system that dragged down economic activity.

■ Not only did UPA borrow heavily from the market, but the funds raised were applied unproductively. Capital expenditure

as a per cent of total expenditure (including interest payments) halved from 31 per cent in FY04 to 18 per cent in FY14. This ratio stands at 20% in the current year. The resulting "haphazard of infrastructure creation and challenges of the logistical constraints caused industrial and economic growth to stall."

■ Health expenditure of Indian households showed very little improvement by policy paralysis. "By 2012, shortage of combat-ready equipment and ammunition was a chronic issue plaguing our forces," quotes the document from another of PM Modi's speeches in 2018.

■ UPA's decade was marked by "policy mismanagement and across-the-board transparent actions of public resources (coal and telecom spectrum) and of the private sector, respectively."

A substantive part of the document goes on to claim how things have improved under the NDA. It uses data from the International Monetary Fund to show how "average headline inflation has been lower in the NDA decade." Or how many of the schemes – such as construction of roads or opening of bank accounts – achieved higher results during the NDA decade.

What is the upshot?
Analysing the performance of any economy over two decades, even when they are aligned back to back, is a daunting task. This

is so because a variety of factors affect not just the economy but also how we measure it.

For instance, a very big reason why domestic inflation was very high during the last couple of UPA years and immediately subsided during the first two of NDA is the cost of crude oil, which ranged between \$111 and \$105 a barrel between FY12 and FY14, and then fell to \$64 in FY15 and to \$46 in FY16.

Indeed, on aggregate, data shows that India registered better GDP growth as well as lower fiscal deficits during the UPA time. The NDA government has several genuine achievements to its credit – such as the GST and IBC – but the white paper ignores that it is amidst with the economy. For instance, it does not even contain the word "unemployment." This was when the government's own Periodic Labour Force Survey showed that unemployment had reached a 45-year high in 2017-18.

Similarly, it makes no mention of the fact that there has been no formal measure of poverty since 2011. Or that the government has failed to conduct the decadal Census – the first such since 1981. Also, a white paper on the Indian economy over two decades does not have a single chart on GDP growth over this period.

LONGER VERSION ON

indianexpress.com/expedited

- Part 1 discusses the macroeconomic situation during the 10 years of UPA rule.
- Part 2 provides the current status of the various corruption scams of the UPA government.
- Part 3 shows how the NDA turned the economy around.

○ Objectives of the white paper:

- It seeks to inform every one of the nature and extent of governance, economic and fiscal crises that the NDA government had when it assumed office in 2014.
- It informs about the policies and measures that the (NDA) government took to restore the health of the economy since 2014.
- It wants to spark a broader, more informed debate about the importance of national interest and fiscal responsibility in governance over political expediency.


● Some of the Most Important Claims in the White Paper:

- UPA's decade was marked by policy misadventures and scams such as non-transparent auction of public resources (coal and telecom spectrum).
- In a quest to maintain high economic growth by any means after the Global Financial Crisis of 2008, UPA severely undermined the macroeconomic foundations.
- For instance, it underscores high inflation, high fiscal deficit (or the money borrowed to meet expenses), and high proportion of bad loans in the banking system that dragged down economic activity.
- Capital expenditure as a percent of total expenditure (excluding interest payments) halved from 31% in FY04 to 16% in FY14 (this ratio stands at 28% in the current year).
- The resulting neglect of infrastructure creation and challenges of the logistical constraints caused industrial and economic growth to stumble.
- Health expenditure of Indian households showed very little improvement, defence preparedness was hampered by policy paralysis.
- A substantive part of the documents goes on to claim how things have improved under the NDA. For example,
- It uses data from the International Monetary Fund to show how average headline Inflation has been lower in the NDA decade.
- Or how many of the schemes (such as Jan Dhan, Swachh Bharat Mission, etc) achieved higher results during the NDA decade.
- Thus, the NDA government rescued the economy from a state of crisis, despair and paralysis and India is now among the 'top five' economies (not among the 'fragile five'), making the third highest contribution to global growth every year.

● What can be Inferred from the above Claims?

- Analysing the performance of any economy over two decades, even when they are aligned back-to-back, is a daunting task.
 - This is so because a variety of factors affect not just the economy but also how we measure it.

UPA AND NDA YEARS: WHAT SOME CRUCIAL NUMBERS SAY



Financial Year	Nominal GDP growth rate(%)	Real GDP growth rate(%)	Fiscal Deficit*	Financial Year	Nominal GDP growth rate(%)	Real GDP growth rate(%)	Fiscal Deficit*
2004-05	14.10	7.92	3.95	2014-15	10.99	7.41	4.10
2005-06	13.99	7.92	4.03	2015-16	10.46	8	3.87
2006-07	17.14	8.06	3.35	2016-17	11.76	8.26	3.48
2007-08	15.14	7.66	2.59	2017-18	11.03	6.8	3.46
2008-09	12.56	3.09	6.11	2018-19	10.59	6.45	3.44
2009-10	15.46	7.86	6.57	2019-20	6.37	3.87	4.64
2010-11	19.92	8.5	4.89	2020-21	-1.36	-5.83	9.17
2011-12	14.43	5.24	5.91	2021-22	18.36	9.05	6.75
2012-13	13.82	5.46	4.93	2022-23	16.06	7.24	6.38
2013-14	12.97	6.39	4.48	2023-24	8.87	7.32	5.85
AVERAGE OF UPA YEARS				AVERAGE OF NDA YEARS			
2004-2014	14.95	6.80	4.7	2014-2024	10.31	5.9	5.1

The white paper was presented in Parliament by Finance Minister Nirmala Sitharaman, PTIFile

Source: MoSPI and CMB, *base % of Nominal GDP

- For instance, a very big reason why domestic inflation was very high during the last couple of UPA years is the cost of crude oil.
- The crude oil ranged between \$111 and \$105 a barrel between FY12 and FY14, and then fell to \$84 in FY15 and to \$46 in FY16.
- The NDA government has several genuine achievements to its credit (such as the GST and IBC) but the white paper ignores all that is amiss with the economy.
 - For instance, it does not even contain the word “unemployment” and makes no mention that there has been no formal measure of poverty since 2011.



10th Feb, 2024

1. Bharat Ratna: India's highest civilian award

Recent events of importance

- **Why in News:** The Centre announced Bharat Ratna for **former Prime Ministers PV Narasimha Rao and Chaudhary Charan Singh**, alongside agricultural scientist **MS Swaminathan**. Earlier **Karpoori Thakur** and **Lal Krishna Advani** were announced to be conferred with **India's highest civilian award**.

- **What is Bharat ratna?**

- The Bharat Ratna is the **highest civilian award of the Republic of India**.
- Instituted **on 2 January 1954**, this prestigious award is conferred in recognition of **"exceptional service/performance of the highest order"**, without distinction of race, occupation, position, or gender.
- Initially limited to **achievements in the arts, literature, science, and public services**, the criteria were expanded in December 2011 to include **"any field of human endeavor"**.
- Recommendations for the award are made by the Prime Minister to the President.
- Recipients receive) a **Sanad (certificate)** signed by the President and a **peepal leaf-shaped medallion**, with no monetary grant associated with the honor.
- The Bharat Ratna recipients **rank seventh** in the Indian order of precedence.

- **Brief background**

- **The first recipients of the Bharat Ratna in 1954 were:**
 - **C. Rajagopalachari**, former Governor-General of the Union of India
 - **Sarvepalli Radhakrishnan**, former President of the Republic of India
 - **C. V. Raman**, Indian physicist
- Since then, the award has been bestowed upon **53 individuals, including 18 posthumous awardees**. Notably, it was amended in January 1966 to allow posthumous awards, honoring former Prime Minister **Lal Bahadur Shastri as the first individual to receive this distinction after their passing**.
- The Bharat Ratna has been conferred **on one naturalized citizen (Mother Teresa)** and two non-Indians:
 - **Abdul Ghaffar Khan** (born in British India, later a citizen of Pakistan)
 - **Nelson Mandela** (a citizen of South Africa)

2024

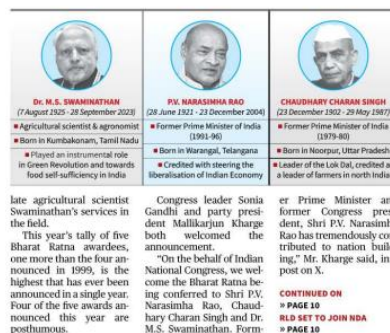
Swaminathan, Rao, Charan Singh to get Bharat Ratna

The Green Revolution pioneer and two former PMs join former Deputy PM L.K. Advani, former Bihar CM Karpoori Thakur in the list of awardees this year, the longest ever announced in a year

Nistula Hebbar
NEW DELHI

The Bharat Ratna will be conferred on former Prime Ministers PV. Narasimha Rao and Chaudhary Charan Singh, as well as Green Revolution pioneer M.S. Swaminathan, adding to the two awardees already announced earlier this year – socialist leader Karpoori Thakur, and former Deputy Prime Minister L.K. Advani.

A Rashtrapati Bhawan communique made the announcement on Friday, with Prime Minister Narendra Modi lauding his late predecessors – the Congress PM Rao's liberalisation policies, and the Janata Party PM Singh's championing of the farmers' cause – as well as the



late agricultural scientist Swaminathan's services in the field. This year's tally of five Bharat Ratna awardees, one more than the four announced in 1999, is the highest that has ever been announced in a single year. Four of the five awards announced this year are posthumous.

Congress leader Sonia Gandhi and party president Mallikarjun Kharge both welcomed the announcement. "On the behalf of Indian National Congress, we welcome the Bharat Ratna being conferred to Shri PV. Narasimha Rao, Chaudhary Charan Singh and Dr. M.S. Swaminathan. Form-

er Prime Minister and former Congress president, Shri PV. Narasimha Rao has tremendously contributed to nation building," Mr. Kharge said, in a post on X.

CONTINUED ON
➤ PAGE 10
RLD SET TO JOIN NDA
➤ PAGE 10

Bharat Ratna Awardees	Important Contributions
Karpoori Thakur (Posthumous) (politician and former Bihar chief minister) (1924-1988)	<ul style="list-style-type: none"> • Karpoori Thakur, a distinguished Indian political figure, served as the Chief Minister of Bihar. • His legacy is etched in Bihar's political landscape. • Thakur championed social justice, implementing measures such as reservations in education and jobs.

	<ul style="list-style-type: none"> He was popularly known as referred to as 'Jan Nayak' (people's leader).
Lal Krishna Advani (politician and former deputy prime minister) (1927)	<ul style="list-style-type: none"> Lal Krishna Advani, a stalwart in Indian politics, played a pivotal role in shaping the Bharatiya Janata Party (BJP). Advani served as both the home minister and deputy Prime Minister under the leadership of Atal Bihari Vajpayee from 1999 to 2004. Advani's political journey spans decades, reflecting his unwavering commitment to conservative values.
Pamulaparthi Venkata Narasimha Rao (Posthumous) (former Prime Minister of India) (1921-2004)	<ul style="list-style-type: none"> PV Narasimha Rao, the 9th Prime Minister of India, led the country through significant economic reforms and global changes. His pragmatic approach and ability to make tough decisions earned him praise, albeit sometimes controversial. Rao's tenure marked a crucial juncture in India's economic trajectory, leaving a lasting impact on the nation's development.
Chaudhary Charan Singh (Posthumous) (former Prime Minister of India) (1902-1987)	<ul style="list-style-type: none"> Chaudhary Charan Singh, a prominent political figure, served as the Prime Minister of India. He staunchly advocated for farmers' rights and rural development. His legacy resonates through his unwavering commitment to the agrarian community. Singh's contributions continue to shape policies and discussions related to agriculture in India.
Mankombu Sambasivan Swaminathan (Posthumous) (agriculture scientist) (1925-2023)	<ul style="list-style-type: none"> Dr. Monkomb Sambasivan Swaminathan, fondly known as the 'Father of the Green Revolution',

played a pivotal role in transforming Indian agriculture. His monumental contributions to our nation include:

- **Self-Reliance in Agriculture:** Dr. Swaminathan's visionary leadership helped India achieve self-reliance in agriculture during challenging times.
- **Modernization of Indian Agriculture:** He made outstanding efforts towards modernizing Indian agriculture, ensuring food security and prosperity.
- **Innovator and Mentor:** Dr. Swaminathan encouraged learning and research among students, leaving an indelible mark on agricultural science.
- **International Influence:** He served as the Independent Chairman of the Food and Agricultural Organisation Council, President of the International Union for the Conservation of Nature and Natural Resources, and President of the World Wide Fund for Nature (India).
- **Director General of Indian Council of Agricultural Research (ICAR):** His tenure at ICAR furthered agricultural research and development.

2. The Debate Over "Socialist" and "Secular" in Preamble GS 2 (Constitution)

- **Why in News:** In a public interest litigation filed seeking to delete the words "Socialist" & "Secular" from the Preamble to the Constitution of India, the Supreme Court asked if the Preamble could have been amended while keeping the date intact. It has sparked a significant legal and constitutional debate.
- **The Amendment (in discussion)**
 - The words 'Socialist' and 'Secular' were inserted in the Preamble of the Constitution under the **42nd Constitutional amendment** moved by the Indira Gandhi government in 1976.
 - The amendment changed the description of India in the Preamble from a "sovereign, democratic republic" to a "sovereign, socialist, secular, democratic republic."
 - However, the insertion of these terms was not without controversy. Critics argued that it was a departure from the original vision of the Constitution's framers.
- **Petitioner's contention**
 - The petitioner has contended that Preamble **cannot be altered, varied, or repealed.**

Can Preamble be amended keeping date intact, asks SC

Krishnakumar, Rajagopal
NEW DELHI

The Supreme Court on Friday asked if the Preamble of the Constitution could have been amended without changing the date of its adoption on November 26, 1949. The Preamble was amended only once in December 1976 by the Indira Gandhi government to introduce the words "socialist" and "secular".

The phrase "unity of the nation" was replaced with "unity and integrity of the nation". The changes were made in the Preamble through the 42nd Constitutional Amendment during the Emergency. Originally, the text of the Preamble declared India as a "sovereign, democratic republic". The words "socialist" and "secular" were inserted between "sovereign" and "democratic".

The Bench was hearing



a petition filed by BJP leader Subramanian Swamy to delete the words socialist and secular from the Preamble.

"Originally these two words socialist and secular were not there. The text says in our Constituent Assembly this 26th of November, 1949, do hereby adopt, enact, and give to ourselves this Constitution," Justice Datta said.

Justice Datta said "it was not that the Preamble could not have been amended" but could it have been done without changing the date. In fact, the latest Bench in the history of the Supreme Court (as judged in the Kesavananda Bharati case) had held that the Preamble

was an integral part of the Constitution and was subject to the amending power of the Parliament, provided the basic structure was not tinkered with.

Advocate Vikram Jain said the Preamble "did come with a date. Therefore, amending it without any debate" had been manifest.

Dr. Swamy said the amendments were passed through during the Emergency.

"Infamous amendment" Advocate Sri Ram Parakkal, appearing for Communist Party of India (CPI) leader Binay Viswanath, said the 42nd amendment was indeed "infamous". It had after all tried to reduce the power of the Supreme Court and High Courts.

"While subsequent amendments more or less restored the Constitution to what it was pre-1976, this change made in the Preamble... that we are secular and socialist... was retained," Mr. Parakkal submitted in court.

The court agreed to hear further arguments in the week commencing April 29, 2024.

- He says that the **Preamble not only indicated the essential features of the Constitution** but also the fundamental conditions based on which it was adopted to create a unified integrated community.

- **Preamble**

- The Preamble to the Indian Constitution serves as a **concise statement of the fundamental principles and objectives** that guide the nation.
- Adopted on November 26, 1949, it outlines the aspirations of the Indian people and sets the tone for the entire constitutional framework.
- The Preamble declares India to be a **sovereign, socialist, secular, democratic, and republic nation**.
- **Amendment:** As per **Article 368** of the **Constitution of India**, the Preamble of the Constitution of India can be amended.

- **Key Words in the Preamble**

Sovereign:	The term 'Sovereign' which is proclaimed by the Preamble means that India has its own independent authority and it is not a dominion of any other external power. In the country, the legislature has the power to make laws which is subjected to certain limitations.
Socialist:	The term 'Socialist' was added in the Preamble by 42nd Amendment, 1976 which means the achievement of socialist ends through democratic means. It is basically a 'Democratic Socialism' that holds faith in a mixed economy where both private and public sectors co-exist side by side.
Secular:	The term 'Secular' was incorporated in the Preamble by 42nd Constitutional Amendment, 1976 which means that all the religions in India get equal respect, protection and support from the state.
Democratic:	The term 'Democratic' implies that the Constitution of India has an established form of Constitution which gets its authority from the will of the people expressed in an election.
Republic:	The term 'Republic' indicates that the head of the state is elected by the people directly or indirectly. In India, the President is the head of the state and he is elected indirectly by the people.

- **Basic Structure Doctrine**

- The Constitution of India defines its 'basic structure' in terms of federalism, secularism, fundamental rights and democracy.
- The Indian Constitution, a dynamic document, can be amended by the Parliament as needed.
- **Article 368** grants the power to amend the Constitution, but the **doctrine of basic structure** ensures that this power is not misused.
- The idea is to safeguard the core principles of the Constitution, preserving its identity.

- **Timeline for Evolution of Basic Structure**

- **Pre-Golak Nath Era**
 - In 1951, the Constitution was amended to introduce Article 31A and 31B. Article 31B created the 9th Schedule, which shielded laws from challenges based on Fundamental Rights violations.

- A petition challenged Article 31A and 31B, arguing that they abridged rights guaranteed under Part III of the Constitution. The Supreme Court had to decide whether these provisions were void under Article 13(2).
- **Golak Nath v. State of Punjab (1967)**
 - The Supreme Court initially held that no part of the Constitution could be amended.
 - This stance changed in the landmark case of Kesavananda Bharati v. State of Kerala (1973).
- **Kesavananda Bharati v. State of Kerala (1973)=**
 - In this pivotal case, a Constitutional Bench ruled by a 7-6 verdict that Parliament could amend any part of the Constitution as long as it did not alter the basic structure.
 - The judgment established the basic structure doctrine and outlined the immutable features of the Constitution
- **Supreme Court's Views**
 - The **Supreme Court judge** asked the counsels to consider, from an academic point of view, if the Preamble could have been amended earlier (by the **42nd Amendment Act in 1976**) to include the words Socialist and Secular while keeping the date of adoption (**November 29, 1949**) intact.
- **Arguments for Removal**
 - **Historical and Cultural Essence:** The petitioners contend that the addition of “socialist” and “secular” disrupts the historical and cultural essence of India. They argue that the original Preamble, as drafted by the Constituent Assembly, did not include these terms.
 - The Constituent Assembly, led by Dr. B.R. Ambedkar, deliberately chose not to include “secular” in the Preamble during the drafting process. The omission was a conscious decision, reflecting the diverse religious fabric of India.
 - **Violation of Fundamental Rights:** The petitioners assert that the inclusion of “socialist” and “secular” infringes upon the fundamental rights guaranteed by the Constitution.
 - Freedom of speech, expression, and religion are fundamental rights enshrined in the Constitution. Critics argue that the insertion of these terms may restrict these rights by imposing a specific ideological framework.
 - **Parliament's Authority:** While Parliament has the power to amend the Constitution, altering the Preamble raises unique challenges. Unlike other provisions, the Preamble is considered part of the Constitution's basic structure.
- **Arguments for Retention**
 - **Changing Socio-Economic Realities:** Supporters of retaining “socialist” argue that it reflects the changing socio-economic realities of India. The country has made significant strides in reducing poverty and promoting social welfare. The term “socialist” underscores the commitment to equitable distribution of resources and social justice.
 - **Secularism as a Foundational Principle:** The insertion of “secular” reinforces India's secular character and commitment to religious harmony.
 - **Judicial Review and Basic Structure Doctrine:** Subramanian Swamy's petition highlights that the Preamble not only formed the essential features of the Constitution but also the fundamental conditions based on which various groups and interests adopted the Constitution with the hope to create one unified integrated community. The Preamble, being an integral part of the Constitution, may fall within this protected zone.

3. Fugitive economic offenders

GS 3 (Economy)

- **Why in News:** Fugitive economic offenders will be extradited to India, Finance Minister Nirmala Sitharaman said in Lok Sabha.
- **Who are 'fugitive economic offenders' (FEO)?**
 - FEO is defined as an individual against whom a **warrant of arrest** in relation to a scheduled offence has been issued by any court in India and the **value of the offence is at least Rs 100 crore**.
 - The offender has **left the country** so as to avoid criminal prosecution and refuses to return to face criminal prosecution.
 - **Money laundering, forging official stamps or money, dishonouring checks and activities that mislead creditors** are some of the offences that are included in the FEO legislation.
- **Fugitive Economic Offenders Act, 2018**
 - **About:** It aims to seize the property of economic offenders who have fled the nation to avoid being prosecuted or who refuse to come back to face charges.
 - **Declaration of FEO:** A **special court** (established under the **PMLA, 2002**) may designate someone as a fugitive economic offender after hearing the application.
 - It has the authority to **seize any property**, whether it is located in India or outside, including **Benami properties and proceeds of crime**.
 - Upon confiscation, the **central government** will become the sole owner of the property and have all rights and titles (such as any charges on the property).
 - **Bar on Filing or Defending Civil Claims:** The Act allows any **civil court or tribunal to prohibit a declared fugitive economic offender from filing or defending any civil claim**.

Fugitives will be extradited, says FM

Replying to the White Paper debate in Lok Sabha, Nirmala Sitharaman blames 'rudderless' leadership of UPA for the one big-ticket scam a year' decade; she alleges that Enforcement Directorate was like 'caged bird' to facilitate money laundering

The Hindu Bureau
NEW DELHI

Fugitive economic offenders like Vijay Malaya, Nirav Modi, and Sanjay Randeria will be extradited to India, Finance Minister Nirmala Sitharaman said on Friday, even as she charged former Congress chief Sonia Gandhi of being a 'Super Prime Minister' in the United Progressive Alliance (UPA) years, blaming 'rudderless' leadership for the 'one big-ticket scam a year' decade between 2004-2014.

Speaking on the White Paper on the Economy in the Lok Sabha, the Minister said it was a serious document tabled with responsibility as it impacted the lives of people and shall serve as a record for posterity. "Entire India's youth should know what



In full force: Union Finance Minister Nirmala Sitharaman speaks in the Lok Sabha during the Budget Session of Parliament. ANI

effort it took for a Prime Minister with a vision to restore India to its glory," Ms. Sitharaman said, comparing the Commonwealth Games "top show" to the "grand" success of G-20 events.

In her opening remarks, she went beyond the UPA decade to remind the House about the LDC of India being forced to invest

in an ailing West Bengal firm run by Haridas Bhattacharya in the 1950s, which culminated in the then Finance Minister J. C. Khanna's resignation as a "sacrificial lamb".

Stressing that national security was compromised in the UPA years, she said the environment had become a bottleneck for project clearances, hurting de-

velopment, and the leadership of the day "failed" the country. Termining the National Advisory Council (NAC) headed by Ms. Gandhi as an "extra-constitutional body worse than a Kitchen Cabinet", the Minister asked why 710 government files were sent to the NAC office.

"Jayanti Tax" "Andolanjevi" (a person who makes a living through protests) and Bhattacharya (a person who survives on corruption) gave birth to the 'Jayanti Tax'. Licence Permit Raj was brought back through the Environment Tax," she said, pointing to a rise in average time taken for green clearances from 86 days in 2011 to 316 days in 2014. This has now come down to 70 days, she added, with this government

balancing development and environment needs.

Stating that the Enforcement Directorate (ED) was told to "keep quiet to facilitate money laundering" during the UPA years and kept like a "caged bird", she noted that just 102 prosecutions took place then, compared to 1,200 since 2014. Zero persons were convicted in their tenure, while the number is 58 in our watch, she said, attributing it to the ED being given the "independence to stop money laundering". "We have got extradition orders passed in four cases (of fugitive economic offenders) and are extraditing them," she said, noting that 12 people have been labelled fugitive economic offenders under their watch, while the number of such extraditions was zero during the UPA years.

4. Nod for spectrum auction

GS 2 (Governance)

- **Why in News:**
 - The Cabinet has approved telecom spectrum auction across multiple bands at a base price of Rs 96,317.65 crore.
 - The Cabinet also approved the proposal, which entails granting Indian Railways 5 Megahertz of wireless spectrum, largely free of cost, for real-time data to enhance passenger safety.
- **Airwaves/Spectrum**
 - Airwaves are radio frequencies within the electromagnetic spectrum that can carry information wirelessly for a range of services including telecommunications.
 - The government manages and allocates airwaves to companies or sectors for their use.
 - The government auctions a fixed amount of spectrum within specified band/s to be utilised by operators for providing communication services to consumers
- **Types of spectrum band**

Cabinet nod to spectrum for Railways without TRAI reply

The Railways had sought additional 5MHz of spectrum for sending real-time data from trains to boost passenger safety; TRAI is assessing whether the transporter should get such an allocation

Axson Deep
Maini Porecha
NEW DELHI

A day after the Telecom Regulatory Authority of India (TRAI) floated a consultation paper on whether Indian Railways should be able to get - largely free - 5 Megahertz of wireless spectrum for carrying real-time data that would enhance passenger safety, the Union Cabinet in a surprise move on Thursday approved the proposal, even though TRAI's response was pending.

The Railways had sought additional 5 MHz of paired spectrum, free of charge, in the 700 MHz band in July last year, a month after the Balasore incident that left 266 dead and nearly 1,200 injured.

"As per our understanding, the Cabinet has decided to reserve this 5MHz spectrum to keep it out of auctions, and it has not been allotted to the Railways as of yet," a TRAI official told The Hindu.

In the past, when the Railways had received spectrum grants for which they only needed to pay an annual royalty without bid-



In discussions with TRAI, Railways had said that it wants additional spectrum for implementing several safety features. BHISHAN KANHOLIA

ding for the airwaves, the data transfer capacity was not sufficient to allow trains to continuously upload video footage for safety purposes.

The video feeds were instead "dumped" at railway stations with a Wi-Fi connection.

The Railways wrote to the Department of Telecommunications (DoT) that it is important to capture large-scale data and videos from moving trains on a real-time basis.

"Dumping at a stopping station, which has high-capacity Wi-Fi, shall not serve the objective," the Railways observed.

The Railways further said that during emergencies, networks of telecom service providers get choked, thereby adversely

affecting relief and restoration operations.

Because the Railways was only granted 5 MHz of its original demand for 15 MHz. In discussions post the Balasore tragedy, it had again asked for an additional 5 MHz of paired spectrum in the 700 MHz band.

TRAI, Railways had said that it wants additional spectrum for implementing several safety features such as the Modern Train Control System, Train Collision Avoidance System, signal aspect in loco cab, and emergency mobile communications. It had also highlighted other advantages that the spectrum allocation could bring, such as increased speed, augmenting train's run-

ning capacity, passenger security, CCTV network like live feed at security control centres, video surveillance, video analytics, and asset reliability.

In consultation with the DoT, the Cellular Operators Association of India (COAI) had in the past opposed free handouts in the 700 MHz band, from which this spectrum has been set aside for the Railways. That band is used for commercial telecom operations around the world, the COAI said, and a significant chunk of it had already been assigned to the Ministry of Defence. Further assignment to non-telecom use cases would leave the spectrum availability for technology like 5G "grossly inadequate," the COAI argued.

- Spectrum can be divided into bands ranging from low frequency to high frequency, which determines their usage and is useful in allocation.
- **Low band spectrum**
 - Less than 1 GHz (600 MHz, 700 MHz, 800 MHz, 900 MHz)
 - Offers blanket coverage suitable to serve thousands of customers over long distances with fewer towers.
 - Ideal for wide and in-building coverage.
 - When bundled with high-spectrum bands, it can be used for commercial mobile and broadcasting services.
- **The mid-band spectrum**
 - Ranges from 1 GHz to 6 GHz (1800 MHz, 2100 MHz, and 2300 MHz).
 - Provides coverage as well as the capacity to carry more data while traveling significant distances.
- **The high band spectrum**
 - Ranges from 24 GHz to 40 GHz and are also known as the millimetre wave spectrum.
 - Ideal for speedy networks over short ranges.
 - However, this range is subject to interference from dense objects.
- **What spectrum do telecom companies require?**
 - According to the GSM Association, for telecom purposes, spectrum in the 400 MHz to 4 GHz range is the most optimum.
 - Operators can provide 2G, 3G, 4G, and 5G services using one frequency band if they have enough spectrum.
 - For mobile technology in India:
 - 2G services use the 900 MHz and 1800 MHz bands,
 - 3G uses 900 MHz and 2100 MHz,
 - 4G uses 850 MHz, 1800 MHz, 2300 MHz, and 2500 MHz, and
 - 5G uses 3.5MHz and 700 MHz bands.
 - The 900 MHz band is a superior commercial ecosystem with better-developed technology standards.
 - It is also suitable for offering GSM-based voice calls as well as 4G broadband services.
 - After 900 MHz, the band suitable for GSM is 1800 MHz, which is also the core band used globally for LTE (long-term evolution), a 4G mobile communications standard.
 - **5G spectrum bands can be clubbed into low, mid and high spectrum buckets.**
- **Key highlights**
 - **Bands to be auctioned**
 - The spectrum will be in the 800, 900, 1,800, 2,100, 2,300, 2,500 and 3,300 megahertz (MHz), as well as in the 26 gigahertz (GHz) bands.
 - If sold, the spectrum will be **valid for a 20-year period.**
 - **Expiring airwaves of some companies will also be auctioned**
 - Expiring airwaves that belong to certain companies undergoing insolvency will also be auctioned.
 - **Approved spectrum requirements of railways**
 - Spectrum has also been approved for use by the railways for the deployment of **Kavach**.
 - Kavach is the automatic train protection (ATP) system used for preventing accidents in the rail network.
 - This 5 MHz band in the 700MHz band will be assigned to multiple regional and urban rail-based transit systems.
 - The Indian Railways had sought additional 5 Mhz of paired spectrum, free of cost, in the 700 MHz band in July 2023.
 - This was a month after the Balasore incident that left 296 persons dead and nearly 1,200 injured.
 - **Committee formed to decide on the issue of refarming spectrum**
 - The government has also set up a Cabinet Secretary-chaired committee to decide on the issue of **refarming spectrum**.
 - Spectrum refarming is the process of repurposing radio frequency bands for different uses.
 - This allows different generations of cellular networks to operate in the same radio spectrum.
 - In other words, it is the process of transitioning a specific radio frequency band from one technology to another.
- **Spectrum allocation to railways**
 - **Past precedents**
 - In the past, the Railways had received spectrum grants, for which they only needed to pay an annual royalty without bidding for the airwaves like telecom operators.
 - However, the data transfer capacity was not sufficient to allow trains to continuously upload video footage for safety purposes.
 - The video feeds were instead dumped at railway stations with a WiFi connection.
 - **Demand of spectrum from railways**
 - The Railways was only granted 5 Mhz of its original demand for 15 MHz in discussions post the Balasore tragedy.
 - As a result, Railways had again asked for an additional 5 MHz of paired spectrum in the 700 MHz band.
 - Railways wants additional spectrum for implementing several safety features such as:
 - i. the Modern Train Control System,

- ii. Train Collision Avoidance System,
 - iii. signal aspect in loco cabs, and
 - iv. emergency mobile communications.
- Other advantages that the spectrum allocation could bring, include:
 - i. increased speed,
 - ii. augmenting train's running capacity,
 - iii. passenger security,
 - iv. CCTV network-like live feed at security control centres,
 - v. video surveillance, video analytics, asset reliability, etc.
- **Opposition from Cellular Operators Association of India (COAI)**
 - COAI had in the past opposed free handouts in the 700 MHz band, from which this spectrum has been set aside for the Railways.
 - That band is used for commercial telecom operations around the world, and a significant chunk of it had already been assigned to the Ministry of Defence.
 - Further assignment to non-telecom use cases would leave the spectrum availability for technologies like 5G grossly inadequate.

5. High-Altitude Pseudo Satellite Vehicle (HAPS)

GS 3 (Science and Tech)

- **Why in News:** The National Aerospace Laboratories (NAL) in Bengaluru has successfully completed the **first test** of a solar-powered "**pseudo satellite**", a **new age unmanned aerial vehicle (UAV)** that can significantly increase India's surveillance and monitoring capabilities in the border areas.
- **About**
 - High-altitude pseudo satellites, or HAPS, are unmanned air vehicles that can hold a fixed position.
 - **Operational height:** HAPS operate in the **stratosphere**, closer to Earth than many satellites but further up than drones and conventional aircraft.
 - The **high-altitude pseudo satellite vehicle, or HAPS**, can fly at altitudes of **18-20 km** from the ground, almost double the heights attained by commercial airplanes.
- **Significance:**
 - **Solar-Powered Operation:** A distinguishing feature of India's HAPS is its reliance on solar power for sustained operation.
 - **Advantages of a satellite:** due to its ability to generate solar power, it can remain in air for months, even years, offering it advantages of a satellite.
 - **Cost effective:** But because it **does not require a rocket to get into space**, the cost of operating HAPS is several times lower than that of a satellite that is usually placed at least 200 km from the earth.
 - **Better solution:** HAPS can be very useful in disaster situations as well.
- **What is the need?**
 - **Need of continuous surveillance of border areas:** The need for development of **high-endurance, high-altitude flying instruments** arose from the desire to have continuous surveillance of border areas to detect changes or movements, particularly in the wake of the **Doklam standoff in 2017**.
 - **Issue with the present system:**
 - **Battery-powered UAVs** can remain in air for a limited period of time and can scan relatively smaller areas.
 - **Satellites placed in low-earth orbits** and meant to observe the Earth usually move in their orbits and are **not watching constantly**.



- HAPS is a still-developing technology, and the recent successful test flight puts India among a **very small group of countries currently experimenting with this technology**

6. [Earth System Model](#)

GS 3 (Science and Tech)

- **Why in News:** The Indian Institute of Tropical Meteorology is developing a first-for-India Earth System Model to improve climate forecasts and predict climate impacts.
- **About the Earth System Model:**
 - It is **open-source software** that is designed to integrate the interactions of **atmosphere, ocean, land, ice, and biosphere** to estimate the state of **regional and global climate** under a wide variety of conditions.
 - Since it is based on numerical weather prediction and data assimilation, it can be used for **accurate climate change predictions**.
 - The **Indian Institute of Tropical Meteorology** along with the **Centre for Climate Change Research (CCCR)**, is developing this first-for-India Earth System Model.
 - **Purpose:** To improve its forecasts, facilitate long-term climate studies, and predict climate impacts in the coming years.
 - IITM-ESM incorporates earth system components in the Climate Forecast System (CFS) from National Center for Environmental Prediction (NCEP, USA), and transforms the CFS seasonal prediction model to a long-term climate mode,
 - **Funding:** An amount of ₹192.28 crores has been sanctioned under the **Monsoon Convection, Clouds and Climate Change (MC4) sub-scheme** to develop the climate forecasting system
 - The work on the model is currently underway and is expected to be completed by 2025.
- **Monsoon Convection, Clouds and Climate Change (MC4) sub-scheme**
 - It was envisioned to improve the **observational database and climate models** for an enhanced predictive understanding of monsoonal precipitation changes and their impacts in a warming environment.
 - The overarching goal of MC4 is to better describe and quantify interactions among monsoon dynamics, clouds, aerosols, precipitation, and the water cycle in a changing climate.
 - **Nodal Ministry:** Ministry of Earth Sciences (MoES)

12th Feb, 2024

1. Direct Tax Kitty GS 3 (Economy)

- **Why in News:** India's net direct tax collections picked up pace over the past month to rise **20.25% year-on-year by February 10**, compared to a 19.4% uptick on the same date in January, as per data released by the **Finance Ministry**.
- **Data**
 - **Net direct tax** is calculated by deducting refunds from gross tax inflows
 - From Rs 14.7 lakh crore on January 10, net direct tax collections, had hit Rs 15.6 lakh crore by Saturday, constituting 80.23% of the revised estimates for direct taxes for this year.
 - **Personal Income vs Corporate Income:** Growth in the Personal Income Tax (PIT) revenues continued to outstrip Corporate Income Tax (CIT), with a 26.91% uptick in net PIT collections vis-à-vis a 13.6% rise in CIT inflows so far this year.

Personal Income Tax	Corporate income-tax (CIT)
<ul style="list-style-type: none"> • Income from Salary • Income from House Property • Income from Profits and Gains of Business or Profession • Income from Capital Gains • Income from Other Sources 	<ul style="list-style-type: none"> • Income-tax paid by domestic companies, and foreign companies on their income

- Revenue collection from direct taxes in 2023-24 is set to surpass the budgetary estimate by Rs 1.22 lakh crore.
- **Indirect Tax collection:** Not just direct taxes, there has been buoyancy in indirect tax collections as well. Revenue collection from **Goods and Services Tax (GST)** soared to Rs 16.69 lakh crore in the first 10 months of the current financial year, which is 11.6% higher when compared with the collection during the same period last year.
- **Interim Budget for 2024-25**
 - In the interim budget, the government increased the **direct tax revenue target** for the current financial year to Rs 19.45 lakh crore from the original budgetary estimate of Rs 18.23 lakh crore.

2. Centre to include ASHA and anganwadi workers/helpers in Ayushman Bharat scheme GS 2 (Governance)

- **Why in News:**
 - After the Central government announced its decision to include **Accredited Social Health Activists (ASHAs)** and **Anganwadi workers** and helpers into the free cover for health treatment under **Ayushman Bharat Scheme**, the **Health Ministry** has so far received Aadhaar details of 23 lakh anganwadi workers and helpers and over three lakh **ASHA workers** from various States.
- **What is Ayushman Bharat scheme?**

Over 3 lakh ASHAs apply for Centre's health cover

The Centre had announced that it would cover anganwadi workers and helpers, as well as ASHAs under AB-PMJAY; Health Ministry to get their healthcare cards ready before end of the month

Bindu Shajan Perappadan
NEW DELHI

After the Central government announced its decision to include Accredited Social Health Activists (ASHAs) and Anganwadi workers and helpers in the Ayushman Bharat free public health cover scheme, the Health Ministry has so far received Aadhaar details of 23 lakh anganwadi workers and helpers and over three lakh ASHA workers from various States.

"The government aims to get their cards ready by the end of the month as the scheme comes into effect from March 1 this year," said Health Secretary Apurva Chandra.

Key component

Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) provides health coverage of up to ₹5 lakh a year for poor and vulnerable families and the decision to include this group of healthcare workers was announced by Finance Minister Nirmala Sitharaman during the presentation of the Interim Union Budget 2024-25 recently.

The Ministry has noted that the ASHA programme is a key component of community processes that has continuously evolved over the last decade and a half.

"Serving as a facilitator, mobiliser and provider of community-level care, ASHA has emerged as the cornerstone of the National Health Mission and the group has been acknowledged for their substantial contribution in improving access to care for communities."

"ASHAs are also a critical component of the community platforms like Village Health and Sanitation Committees, Mahila Arogya Samitis, and Community-Based Planning and Monitoring under National Health Mission. ASHAs have been playing a key



Major aid: The Ministry noted that ASHAs played a key role in the country's response for prevention and management of COVID-19.

role in the country's response for prevention and management of the COVID-19. In addition to performing tasks related to COVID-19, ASHAs also continued to support community members for accessing essential health services," Mr. Chandra added.

According to figures released by the Health Ministry, there were over 13 lakh Anganwadi workers and over 10 lakh anganwadi helpers in the country as on December 31, 2023. In its annual ASHA update 2020-21, it further adds that the country has 9.83 lakh ASHAs in position against the target of 10.35 lakh across 35 States and UTs (i.e., all except Goa and Chandigarh) making it

the world's largest community volunteer programme.

In India, currently 55 crore individuals corresponding to 12 crore families are covered under the Ayushman Bharat scheme, according to government figures while many States/UTs implementing AB-PMJAY have further expanded the beneficiary base, at their own cost.

The government has created approximately 28.45 crore Ayushman cards till December 20, 2023 and a total of 6.11 crore hospital admissions amounting to ₹8,188 crore had been authorised under the scheme, of which 1.7 crore hospital admissions worth over ₹25,000 crore were authorised during the year 2023.

"Also a total of 26,901 hospitals including 11,813 private hospitals have been empanelled under AB-PMJAY to provide healthcare services to scheme beneficiaries and the scheme has ensured gender equity in access to healthcare services with women accounting for approximately 49% of the total Ayushman cards created and approximately 48% of total authorised hospital admissions," said the government data.

- **Ayushman Bharat, Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)** provides health coverage up to Rs 5 lakh a family a year to poor and vulnerable families.
- **The numbers**
 - In India, currently **55 crore individuals** corresponding to **12 crore families** are covered under the **Ayushman Bharat scheme**.
 - The government has created approximately **28.45 crore Ayushman cards** till December 20, 2023.
 - A total of **6.11 crore hospital admissions** amounting to **Rs 78,188 crores** had been authorised under the scheme, of which 1.7 crore hospitals admissions worth over **Rs 25,000 crores** have been authorised during the year 2023 (Jan-Dec 2023).
 - A total of **26,901 hospitals** including **11,813 private hospitals** have been empanelled under **AB-PMJAY** to provide healthcare services to scheme beneficiaries.
 - The scheme has ensured gender equity in access to healthcare services with women accounting for approximately **49% of the total Ayushman cards** created and approximately **48% of total authorised hospital admissions**.
 - According to Health Ministry, there were over **13 lakh Anganwadi workers** and over **10 lakh anganwadi helpers** in the country as on 31st December 2023.
 - In its annual **ASHA update 2020-21** it further adds that the country has 9.83 Lakh ASHAs in position against the target of 10.35 lakh across 35 States and UTs (i.e., all except Goa and Chandigarh) making it the world's largest community volunteer programme.
- **What is the reason behind this decision?**
 - The decision to include this group of healthcare workers was announced in the **interim Union Budget 2024-25**
 - **ASHA programme** is a key component of community processes that has continuously evolved over the last decade and a half.
 - ASHA has emerged as the **cornerstone of the National Health Mission** and the group has been acknowledged for their substantial contribution in improving access to care for communities.
 - ASHAs are also a critical component of the **Community platforms like Village Health and Sanitation Committees, Mahila Arogya Samiti and Community Based Planning and Monitoring under National Health Mission**.
- **Anganwadi**
 - Anganwadi is a type of rural mother and child care centre in India.
 - They were started in 1975 as part of the Integrated Child Development Services program to combat **child hunger and malnutrition**.
 - A typical Anganwadi center provides basic health care in Indian villages.

It is a part of the Indian public health care system.

3. **PM-SVANidhi boosted annual income of street vendors: Study GS 2 (Governance)**

- **Why in News:** A study that evaluated the impact of the **PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)**, a small working capital loan scheme for street vendors, has found that the first tranche of Rs 10,000 led to an additional annual income of Rs. 23,460 for each beneficiary.
- **What is PM SVANidhi?**
 - PM SVANidhi is a **special micro-credit facility plan** to provide affordable loan of up to Rs. 10,000 to more than 50 lakh street vendors.
 - The scheme is a **Central Sector Scheme** fully funded by **Ministry of Housing and Urban Affairs**.

PM-SVANidhi boosted annual income of street vendors by ₹23,000: Study

DAMINI NATH
NEW DELHI, FEBRUARY 11

A STUDY that evaluated the impact of the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi), a small working capital loan scheme for street vendors, has found that the first tranche of ₹10,000 led to an additional annual income of ₹23,460 for each beneficiary. The Indian Express has learnt.

SVANidhi is not likely to be made public, sources said. PM SVANidhi was launched in 2020 to help street vendors resume their livelihood impacted by the Covid-19 lockdown, by offering them affordable working capital loans. To begin with, a beneficiary can avail ₹10,000 and, upon its repayment, ₹20,000. After repaying the second loan, a beneficiary is entitled to apply for a third loan of ₹50,000.

Data on the PM-SVANidhi portal, as seen on Saturday, showed that 60.65 lakh first-term loans, 16.95 lakh second-term loans and 2.43 lakh third-term loans have been disbursed so far under the scheme. The ISI study covered 5,141 vendors across 100 urban local bodies in 22 states, the report said. For 95% of those surveyed, the PM-SVANidhi loan was their first-ever bank loan, while for 72% of them said it was the first business loan, the report said.

According to the study, 94% of those beneficiaries who had availed the first loan of ₹10,000 said they used it to make "business investments". It was ₹883 in case of those who had availed the second loan. The first loan resulted in an additional income of ₹1,955 per month, or ₹23,460 in total during the loan's one-year duration, the report said, adding this was in line with the estimates of marginal returns of small businesses in many parts of the world, it said. In the sample, the study found 13.9% of all the loans dis-

bursed had been classified as non-performing assets (NPAs), meaning no payments had been made for three months and more. The NPAs were the highest during Covid-19 pandemic and declined over time, with only 9% of loans disbursed in 2022 turning into NPAs. The study also found that the debt-to-income (DTI) ratio of the beneficiaries (9%) was lower than what was expected of small businesses, reflecting the "high creditworthiness" of the vendors. The study found that after the launch of PM SVANidhi, there had been no significant improvement in the street vendors getting formal credit from other sources – only 9% of the beneficiaries had loans from other financial institutions.

- **Eligibility:** The Scheme is available to all street vendors engaged in vending in urban areas as on or before March 24, 2020.
 - It was **announced aims to enable street vendors to resume their livelihoods**, which have been hit hard due to the national lockdown.
- **Implementing agency:** **Small Industries Development Bank of India** is the **technical partner** for implementation of this scheme. It manages the credit guarantee to the lending institutions through **Credit Guarantee Fund Trust for Micro and Small Enterprises**.
- **Salient features:**
 - Vendors can **avail working capital loan of up to Rs 10,000**, which is repayable in monthly instalments within one year.
 - On timely/early repayment of the loan, an interest subsidy of 7% per annum will be credited to the bank accounts of beneficiaries
 - Monthly cash back incentive on digital transactions
 - There will be **no penalty on early repayment of loan**.
- **What are the other related schemes for street vendors?**
 - **SVANidhi se Samridhhi:** The Ministry has initiated 'SVANidhi se Samridhhi' in 125 Urban Local Bodies, selected for saturation in the first phase. In Phase 1, approximately 35 Lakh Street vendors and their families were covered.
 - **The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014:** was enacted to **regulate street vendors** in public areas and protect their rights.
 - **National Association of Street Vendors of India (NASVI):** NASVI is an organization working for the **protection of the livelihood rights of thousands of street vendors** across the country.

4. Chaudhary Charan Singh (1902-1987)

Recent events of importance

- **Why in News:** The Government of India announced the name of **former Prime Minister Chaudhary Charan Singh**, who was best known as the 'champion of farmers', to be bestowed with the prestigious **Bharat Ratna**, the **highest civilian honour** in the country.
- **About Chaudhary Charan Singh (1902-1987)**
 - Born in a small village of Narpur in the Meerut district of Uttar Pradesh, Chaudhary Charan Singh went on to serve the nation as the 5th Prime Minister. He played a pivotal role in uplifting the most important strata of our society- farmers.
 - Known for his advocacy of peasant rights and agrarian reforms, Charan Singh played a significant role in shaping India's agricultural policies and championing the cause of farmers.
 - **Tenure as PM:** He served as the **Prime Minister of India** for a brief period from July 1979 to January 1980.
 - **Addressing challenges of agriculture:** Charan Singh's tenure as Prime Minister in 1979 was marked by efforts to address the challenges facing India's agricultural sector, including **inflation, food shortages, and farmer grievances**.
 - Despite the brevity of his term, he introduced several measures aimed at alleviating the plight of farmers, such as

What Charan Singh did for farmers' welfare

Singh's land reform laws created a new socially and politically empowered middle peasantry, which saw its economic fortunes rise with the Green Revolution.

Harish Dhamodhan

While Charan Singh is remembered for his role in the Green Revolution, his impact on Indian agriculture was far-reaching. He was a champion of the farmer, and his policies helped to bring about a significant increase in food production and income for millions of farmers. His tenure as Prime Minister was marked by a series of bold decisions that transformed the agricultural sector. He introduced land reforms that gave farmers more control over their land, and he implemented policies that supported the growth of the agricultural sector. His efforts helped to bring about a significant increase in food production and income for millions of farmers. His tenure as Prime Minister was marked by a series of bold decisions that transformed the agricultural sector. He introduced land reforms that gave farmers more control over their land, and he implemented policies that supported the growth of the agricultural sector. His efforts helped to bring about a significant increase in food production and income for millions of farmers.

Green Revolution

The Green Revolution was a period of rapid growth in agricultural production in India, which was driven by the adoption of new technologies and practices. Charan Singh played a key role in the Green Revolution, and his policies helped to bring about a significant increase in food production and income for millions of farmers. His tenure as Prime Minister was marked by a series of bold decisions that transformed the agricultural sector. He introduced land reforms that gave farmers more control over their land, and he implemented policies that supported the growth of the agricultural sector. His efforts helped to bring about a significant increase in food production and income for millions of farmers.

Land Reforms

Charan Singh's land reform laws created a new socially and politically empowered middle peasantry, which saw its economic fortunes rise with the Green Revolution. His tenure as Prime Minister was marked by a series of bold decisions that transformed the agricultural sector. He introduced land reforms that gave farmers more control over their land, and he implemented policies that supported the growth of the agricultural sector. His efforts helped to bring about a significant increase in food production and income for millions of farmers.

Peasant Rights

Charan Singh was a champion of the farmer, and his policies helped to bring about a significant increase in food production and income for millions of farmers. His tenure as Prime Minister was marked by a series of bold decisions that transformed the agricultural sector. He introduced land reforms that gave farmers more control over their land, and he implemented policies that supported the growth of the agricultural sector. His efforts helped to bring about a significant increase in food production and income for millions of farmers.

Agrarian Reforms

Charan Singh played a key role in the Green Revolution, and his policies helped to bring about a significant increase in food production and income for millions of farmers. His tenure as Prime Minister was marked by a series of bold decisions that transformed the agricultural sector. He introduced land reforms that gave farmers more control over their land, and he implemented policies that supported the growth of the agricultural sector. His efforts helped to bring about a significant increase in food production and income for millions of farmers.

- a) Loan waivers
- b) Price support mechanisms
- c) Agricultural subsidies

- His efforts led to the enactment of crucial land reform bills, such as the **Department Redemption Bill of 1939** and the **Land Holding Act of 1960**, which aimed to address issues of land distribution and agricultural sustainability.
- He was a staunch advocate of land reforms, tenant rights, and equitable distribution of agricultural resources.
- His dedication to the welfare of farmers earned him the title of '**Kisan Leader**' or '**Champion of Farmers**.'

• **Reservation for Sons of Cultivators**

- **Reservation:** Chaudhary Charan Singh a document titled 'Why 60% of Services Should Be Reserved for Sons of Cultivators' advocated on guaranteeing representation for the "sons or dependents of the actual tillers of the soil" in government jobs and seats in publicly-funded educational institutions.
- Singh was Union home minister in the **Morarji Desai government** that appointed the **Backward Classes Commission** under B.P. Mandal in January 1979.
- He passed away in May 1987, leaving behind a lasting legacy as a champion of farmers' rights and a stalwart defender of agrarian interests.

5. **Nazool land**

Recent events of importance

- **Why in News:** Violence erupted in Uttarakhand's Haldwani district after the **administration conducted a demolition drive** at the illegal site of a mosque and madrasa, allegedly on Nazool land, killing five and injuring many more.
- **What is Nazool land?**
 - Nazool land is owned by the government but most often not directly administered as state property.
 - The state generally allots such land to any entity on lease for a **fixed period**, generally between 15 and 99 years.
 - In case the lease term is expiring, one can approach the authority to renew the lease by submitting a written application to the Revenue Department of the local development authority. The government is free to either renew the lease or cancel it — taking back **Nazool land**.
 - In almost all major cities of India, Nazool land has been allotted to different entities for a variety of different purposes.
 - **Usage:** The government generally uses Nazool land for public purposes like building schools, hospitals, Gram Panchayat buildings, etc.
 - **Legislation:** The Nazool Lands (Transfer) Rules, 1956 is the law mostly used for Nazool land adjudication.
- **Emergence of Nazool land**
 - During British rule, kings and kingdoms which opposed the British frequently revolted against them, leading to several battles between them and the British Army.
 - Upon defeating these kings in battle, the British would often take their land away from them.



- After India got Independence, the British vacated these lands. But with kings and royals often lacking proper documentation to prove prior ownership, these lands were marked as **Nazool land** — to be owned by the respective state governments.

6. Regulating Online Gaming in India

GS 2 (Governance)

• **Why in News:**

- The Union Ministry of Electronics and Information Technology (MeitY) will now prepare a framework for permitting and certifying online games which involve money.
- This means, the Government of India will act as a regulator for the online gaming sector rather than an industry-led self-regulatory organisation (SRO).

• **Types of Online Gaming:**

- **e-Sports:** These are **video games** that were played privately or on consoles in video game stores in the 1990s, but are currently played online in a structured manner between professional players, either individually or in teams.
- **Fantasy sports:** These are games in which the player selects a team of real sports players from several teams and earns points based on how well the players perform in real life. **For example, Dream11.**
- **Online casual games:**

- These could be skill-based, where the outcome is heavily impacted by mental or physical skill or chance-based, where the outcome is heavily influenced by some randomised activity, such as rolling a die.
- A **game of chance** may be considered as gambling if players bet money or anything of monetary value.

• **The Online Gaming Market in India - How big is it?**

- The online gaming industry in India is predominantly a **home-grown start-up ecosystem** growing at **27% compound annual growth rate (CAGR)**
- It is widely estimated that AI and online gaming can add up to \$300 billion to India's GDP by 2026-27.
- **India's percentage of new paying users (NPU)**s in gaming has been the fastest rising in the world, with 40% in 2020 and expected to reach 50% in 2021.
- According to a FICCI report, **transaction-based games revenue increased by 26% in India**, while the number of paying players increased from 80 million in 2020 to 95 million in 2021

• **Challenges Faced by the Online Gaming Market in India:**

- **Lack of regulatory oversight:**
 - There is currently **no regulatory framework to govern various aspects of online gaming companies** such as
 - Having a grievance redressal mechanism,
 - Implementing player protection measures,
 - Protection of data and intellectual property rights, and
 - Prohibiting misleading advertisements.
 - No mechanism exists for individuals to **differentiate** between legitimate gaming platforms and illegal gambling/betting sites.
- **Safety and financial ramifications of illegal offshore betting and gambling markets:**
 - Money laundering and national security concerns are exacerbated by the growth of **illegal offshore gambling and betting markets.**
 - The clandestine and untraceable operations of these platforms are causing **substantial losses to the exchequer.**
 - Estimates indicate that India lost \$45 billion per annum in taxation due to operations of illegal offshore markets.
- **Online gaming - a state subject:** Some State governments attempt to ban online gaming. However, the inherent cross-border nature of the Internet makes enforcing such a ban almost impossible.
- **Societal concerns:** The meteoric rise of online gaming has brought with it an array of concerns such as **addiction, mental illness, suicides, financial frauds, privacy and data security concerns.**

• **The Issue of Self-Regulatory Bodies under the IT Rules:**

- The IT (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021 marked a commendable step towards oversight.
- As per IT rules, online real money games **need to be approved by a regulatory body**. Online games, which do not involve real money, do not require any regulatory nod.
- The government had notified the online gaming rules (on April 6, 2023) and had given 3-months to the industry to come up with proposals for SROs.

MEITY TO PREPARE GUIDELINES SOON

Proposals for industry body rejected, Centre to regulate e-gaming

JATIN GROVER
NEW DELHI, FEBRUARY 11

THE GOVERNMENT will act as a regulator for the online gaming sector rather than an industry-led self-regulatory organisation (SRO). The ministry of electronics and information technology (MeitY) will now prepare a framework for permitting and certifying online games which involve money, officials said.

Earlier, MeitY had proposed an SRO and asked the industry to submit proposals to this effect. However, officials said that the proposals received were heavily dominated by gaming companies and their industry associations, and therefore would not have been able to act as a neutral regulatory body.

As per IT rules, online real money games need to be approved by a regulatory body. Online games, which do not involve real money, do not require any regulatory nod.

The government had notified the online gaming rules on April 6, 2023 and had given three months to the industry to come up with proposals for SROs. It had planned to notify three SROs.

"The SRO applications we are getting are too industry dominated. So we are rejecting them," Rajeev Chandrasekhar, minister of state for electronics and IT said. "We have said very clearly, we don't want SROs that will be controlled by industry. We wanted it to be representative of a wider base and we didn't receive any application like that," Chandrasekhar said, adding that in absence of SRO, by default the government continues to regulate the space.

Chandrasekhar, however, did not share further details on the framework the government is coming up with.

It was expected that apart from people with experience in online gaming, SROs will also include educationists, psychologists, individuals dealing with protection of child rights and information & communication technology experts.

Officials said that government analysed four proposals submitted by All India Gaming Federation (AIGF), Esports Players Welfare Association (EPWA), All India Gaming Regulator (AIGR) Foundation & from a consortium of the E-Gaming Federation (EGF) and the Federation of Indian Fantasy Sports (FIFS). But, none of them met the stated requirements.

The government has recently set up a group of ministers to discuss the regulatory framework for the industry but it's likely that a clear regulatory structure will emerge only after the general elections. In December, companies such as Dream Sports, Games 24x7, as well as industry associations had sought clarity from the government on a code of conduct for the sector. This was related to actual implementation of notified rules. Framework on responsible gaming and player protection, financial frauds, gaming certification, among other aspects. These aspects need to be defined by the regulator.

Among other things, the industry has sought a Sebi-like regulator for the sector.

GOVT STEPS IN

■ Ministry had proposed an SRO, asked industry for proposals

■ Officials say the proposals were heavily dominated by gaming companies and their industry associations.

■ As per IT Rules, online real money games need to be approved by a regulatory body

- However, **the proposals received were heavily dominated by gaming companies** and their industry associations, and therefore would not have been able to act as a neutral regulatory body.



13th Feb, 2024

1. Qatar Frees Indian Navy Veterans GS 2 (International Relations)

- **Why in News:** Indian navy veterans arrested on the espionage charges and given death sentence by the Qatari courts had been freed.
- **Background**
 - **The Arrest and Charges:** The eight former officers of the Indian Navy were detained in Qatar since October 2022. They were accused of espionage related to a submarine program for Israel. The Qatari court initially handed down death sentences.
 - **Diplomatic Interventions:** The Indian government left no stone unturned in advocating for their release. Utilizing all available diplomatic channels, New Delhi worked tirelessly to secure their freedom.
 - **The Qatari Emir's Decision:** The Amir of the State of Qatar, in a momentous decision, **commuted the death penalties to jail terms**. This compassionate act paved the way for the return of these eight nationals to India. Their release is a testament to the power of diplomacy, compassion, and human rights.
- **India Qatar Relations**
 - **Trade and investment**
 - India's bilateral trade with Qatar reached US\$ 18.77 billion in 2022-23.
 - Qatar is the **largest supplier** of LNG to India, accounting for over **48%** of India's global LNG imports.
 - The India-Qatar Start-up Bridge initiative aims to link the start-up ecosystems of both countries.
 - **India exports** various goods to Qatar, including cereals, copper items, iron and steel products, vegetables, plastics, construction materials, textiles, and garments.
 - Qatar primarily exports liquefied natural gas (LNG), liquefied petroleum gas (LPG), chemicals, petrochemicals, plastics, and aluminium articles to India.
 - **Defence cooperation**
 - India extends training programs in its defense institutions to partner nations, including Qatar.
 - Participation in the Doha International Maritime Defense Exhibition and Conference (**DIMDEX**) strengthens bilateral ties.
 - Regular naval and coast guard interactions underscore cooperation between the two nations.
 - **Za'ir Al Bahr** (Roar of the Sea) naval exercises were conducted between Indian Navy and Qatar Emiri Naval Forces.
 - **Geopolitical dynamics:** India's ties with other Middle Eastern nations don't always align with Qatar's alliances.
- **What is the strategic importance of Qatar for India?**

7 Indians who faced death row in Qatar return home

Indian officials escort former Navy personnel to New Delhi by passenger flight; eighth person also released, but awaits clearance Prime Minister Modi to travel to Qatar tomorrow after his UAE visit

Kallol Bhattacharjee
NEW DELHI

Eight Indian Navy veterans who had been in Qatari custody since August 30, 2022 were released on Sunday in Doha. Indian officials escorted seven of the eight former death row prisoners to New Delhi by a passenger flight during the early hours of Monday.

The development was followed by the announcement that Prime Minister Narendra Modi will visit Qatar on Wednesday afternoon on his way back home from the United Arab Emirates where he will pay a two-day visit during February 13-14.

"We are happy to have seven of those Indian nationals back. The eighth Indian has also been released



Further talks: Foreign Secretary Vinay Mohan Kwatra said the government will work with the Qatar government for the return of the eighth person to India. [ANI](#)

became an issue of diplomatic tug of war and their cause of the arrest was never publicised. The men had earlier appealed against the death sentence of a lower court in Doha that was subsequently commuted to a sentence of varying periods for the eight individuals.

Appreciating the decision of the Qatari legal authorities to release the Indians, Mr. Kwatra said, Prime Minister Narendra Modi "personally supervised all developments".

Earlier, there were expectations that the eight men would be freed ahead of Ramadan or Id. However, the announcement has come a day prior to Mr. Modi's UAE visit.

Diplomatic issue
The case of the eight Indian Navy veterans kept India-Qatar relation on tenterhooks as the matter



Qatar has an outsize influence in the Islamic world. It was the key mediator between US and Taliban which culminated into **Doha Agreement**.

- The widely popular news channel **Al Jazeera** act as a credible source of news and a point of friction as seen during Saudi Arabia's blockade of Qatar.
- **Indian Diaspora**
 - Over 800,000 Indian nationals reside in Qatar, forming the largest expatriate community.
 - During the second wave of COVID-19, Qatar sent COVID medical relief material to India.

2. India's UPI and RuPay Card Services Go Global

GS 3 (Economy)

- **Why in News:** Prime Minister Narendra Modi along with President of Sri Lanka and Prime Minister of Mauritius jointly inaugurated the Unified Payments Interface (UPI) services in Sri Lanka and Mauritius.
- **What is UPI?**
 - Unified Payment Interface (UPI) is an advanced version of the Immediate Payment Service (IMPS). It facilitates real-time, round-the-clock funds transfer between bank accounts.
 - UPI merges multiple bank accounts into a single mobile application, allowing users to seamlessly transact across participating banks.
 - Its simplicity, security, and interoperability have made it a game-changer in the digital payments ecosystem.
- **Key Features and Benefits:**
 - **Instant Transactions:** UPI enables lightning-fast transactions. Whether you're splitting a restaurant bill or paying utility bills, UPI ensures near-instant settlements.
 - **Mobile-Centric:** UPI thrives on mobile devices. A simple app or USSD code (*99#) connects users to their bank accounts. No need for physical cards or cumbersome paperwork.
 - **24x7 Availability:** UPI doesn't take weekends off. It operates round the clock, making it convenient for users with varying schedules.
 - **Security Measures:** UPI employs robust security features like two-factor authentication, PINs, and biometrics. Users can transact confidently, knowing their money is safe.
 - **Seamless Integration:** UPI integrates effortlessly with various services: bill payments, online shopping, and even donations. QR codes simplify merchant payments.
- **Impact on Financial Inclusion:**
 - UPI has democratized digital payments:
 - **Rural Empowerment:** Even in remote villages, vendors accept UPI payments. Farmers, artisans, and small businesses benefit.
 - **Financial Literacy:** UPI encourages financial literacy. People learn about banking, digital security, and budgeting.
- **Impact**
 - 100 Billion Transactions: UPI handled over 100 billion transactions last year.
 - **GEM Trinity:** Bank accounts, Aadhar, and mobile phones facilitated transactions worth Rs 34 lakh crores (approx. 400 billion USD).

RuPay, UPI rolled out in Mauritius, Sri Lanka

The Hindu Bureau
MUMBAI

RuPay cards and Unified Payments Interface (UPI) connectivity between India and Mauritius, as well as UPI connectivity between India and Sri Lanka were established on Monday to deepen financial integration and to facilitate digital payments among citizens of the three countries, the Reserve Bank of India (RBI) said.

An Indian traveller to Mauritius will now be able to pay a merchant in Mauritius using UPI. Similarly, a Mauritian traveller will be able to pay a merchant in India using the Instant Payment System (IPS) app of Mauritius.

Further, with the adoption of RuPay technology, the MautAS card scheme of Mauritius will enable banks in Mauritius to issue RuPay cards domestically. Such cards can be used at ATMs and PoS terminals locally in Mauritius as well as in India. "Indian RuPay cards would also be accepted at ATMs and PoS terminals in Mauritius," the RBI said in a statement.

The digital payments connectivity with Sri Lanka will enable Indian travellers to make QR code-based payments at merchant locations in Sri Lanka using their UPI apps. The projects had been developed and executed by NPCI International Payments Ltd. (NPCI) along with partner banks / non-banks from Mauritius and Sri Lanka, under the guidance of RBI.



- The new law should go beyond granting stipulated powers to the government. It must shape appropriate response mechanisms for preventing and controlling epidemic diseases. Scientific advancements should inform these mechanisms, ensuring a coordinated approach
- **Clarification of Terms**
 - To avoid ambiguity, the legislation should clearly differentiate between terms like ‘quarantine’ and ‘isolation’. Precise definitions will enhance effective implementation during health crises.
- **Law Commission**
 - **The first Law Commission in British India was established in 1834 by the British government. The commission was led by Lord Macaulay.**
 - **“The initial commission’s suggestions led to the formalization of the penal code and the Criminal Procedure Code.**
 - It was established in 1955 to serve as an advisory body to the government on legal matters.
 - **Key Functions**
 - **Legal Reforms**
 - The Commission identifies areas where legal reforms are necessary. It conducts in-depth research, consults stakeholders, and recommends changes to outdated or inadequate laws.
 - **Legislative Proposals**
 - It drafts bills and proposes amendments to existing statutes. These proposals aim to address emerging legal challenges, promote justice, and enhance the efficiency of the legal system.
 - **Research and Reports**
 - The Commission publishes comprehensive reports on various legal topics. These reports serve as valuable resources for policymakers, practitioners, and academics.
 - **Public Participation**
 - The Commission invites public opinion through discussions, seminars, and consultations. This participatory approach ensures that legal reforms reflect the needs and aspirations of the people.

4. **Farmers’ Protests in India**

Recent events of importance

- **Why in News:**
 - With more than 250 farmers’ unions from Punjab gearing up to march to Delhi, the Delhi Police has imposed Section 144 across the national capital for a month.
 - One of the key demands for the ‘Dilli Chalo’ march, is a legal guarantee of minimum support price (MSP)
- **What is the Ongoing Farmers’ Protest About?**
 - Farmers’ unions under the banner of the **Kisan Mazdoor Morcha (KMM)** and the **Samyukta Kisan Morcha (non-political)** have called the protest that is being coordinated from Punjab.
 - The two forums gave a call of **“Delhi Chalo”** to remind the Prime Minister of the **promises to farmers two years ago**.
 - In both its demands and leadership, **the protest of 2024 is very different from the yearlong agitation of 2020-21**.
 - During the 2020-21 agitation farmers succeeded in their main goal of forcing the central government to roll back its agricultural reforms agenda.
- **What are the Demands of the Ongoing Farmers Protest?**
 - The headline demand in the farmers’ **12-point agenda** is for a law to **guarantee MSP for all crops**, and the determination of crop prices in accordance with the **Dr M S Swaminathan Commission’s report**.

Farmers’ protest 2.0: How this agitation differs from 2020-21

MINISTER JAGGA
LUDHIANA, FEBRUARY 12

A LITTLE more than two years after they called off their massive protest at the doorstep of PM Narendra Modi, farmers are once again on the move. This time, they are demanding a 10% increase in the MSP for wheat, a 10% increase in the MSP for rice, and a 10% increase in the MSP for pulses. The farmers are also demanding a 10% increase in the MSP for oilseeds, a 10% increase in the MSP for sugarcane, and a 10% increase in the MSP for cotton. The farmers are also demanding a 10% increase in the MSP for fruits and vegetables, a 10% increase in the MSP for dairy products, and a 10% increase in the MSP for fisheries products.

EXPLAINED

What is this farmers' protest about?
More than 250 farmers' unions under the banner of the Kisan Mazdoor Morcha (KMM) and the Samyukta Kisan Morcha (non-political) have called the protest that is being coordinated from Punjab. The two forums gave a call of "Dilli Chalo" to remind the Prime Minister of the promises to farmers two years ago.

What are the demands of the farmers?
The headline demand in the farmers' 12-point agenda is for a law to guarantee MSP for all crops, and the determination of crop prices in accordance with the Dr M S Swaminathan Commission's report.

How has the government responded?
The government has responded to the farmers' demands by announcing a 10% increase in the MSP for wheat, a 10% increase in the MSP for rice, and a 10% increase in the MSP for pulses. The government has also announced a 10% increase in the MSP for oilseeds, a 10% increase in the MSP for sugarcane, and a 10% increase in the MSP for cotton. The government has also announced a 10% increase in the MSP for fruits and vegetables, a 10% increase in the MSP for dairy products, and a 10% increase in the MSP for fisheries products.

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- **The other demands are:**
 - Full **debt waiver** for farmers and labourers
 - Implementation of the **Land Acquisition Act of 2013**, with provisions for written consent from farmers before acquisition, and compensation at 4 times the collector rate
 - **Punishment for the perpetrators of the October 2021 Lakhimpur Kheri killings;**
 - India should withdraw from the **World Trade Organization (WTO)** and freeze all free trade agreements;
 - **Pensions** for farmers and farm labourers;
 - **Compensation** for farmers who died during the Delhi protest, including a job for one family member;
 - **The Electricity Amendment Bill 2020 should be scrapped;**
 - 200 (instead of 100) days' employment under **MGNREGA** per year, daily wage of Rs 700, and scheme should be linked with farming;
 - **National commission** for spices such as chilli and turmeric; etc.
- **How has the Government Responded Thus Far?**
 - KMM and SKM (non-political) emailed their demands to the Ministries of Agriculture and Commerce and Industry.
 - In two meetings, the Union Agriculture Minister, Commerce and Industry Minister, and Minister of State for Home met with farmers' delegation in Chandigarh.
 - According to the Union Agriculture Minister, **there were some issues on which consensus has been reached.**
 - However, some issues need a permanent resolution and there should be a committee to address them.
 - Even as the farmers and the ministers were talking, the **Haryana** government started sealing its borders with Punjab.
 - **Rajasthan** sealed its borders with Punjab and Haryana, and imposed prohibitory orders under Section 144 CrPC in Sri Ganganagar and Hanumangarh districts.
- **Issue of Minimum Support Price (MSP) in India:**
 - **Meaning of MSP:** MSP is a form of **market intervention** (a policy decision not enforceable by law) by the Government of India to insure agricultural producers against any sharp fall in farm prices during bumper production years.
 - **Announced by:** The **Cabinet Committee on Economic Affairs** (Chaired by the PM of India) on the basis of the recommendations of the **Commission for Agricultural Costs and Prices (CACP)** at the beginning of the sowing season for certain crops.
 - **Objectives**
 - MSPs are a guarantee price for farmer's produce from the Government **to prevent the farmers from distress sales and to procure food grains for public distribution.**
 - **For example**, in case of a market glut due to bumper production, government agencies will buy the entire quantity supplied by farmers at the announced minimum price.
 - **Background:**
 - The MSP regime came into existence as a policy decision in **1967** on the recommendations of the Food Grain Price Committee (constituted in 1964 under LK Jha)
 - The government set up the Agricultural Prices Commission (renamed as the CACP in 1985) for fixing MSP for crops.
 - **Crops covered:**
 - Government announces MSPs for **22** mandated crops and fair and remunerative price (**FRP**) for **sugarcane** (total 23).
 - The mandated crops are **14 crops of the kharif season, 6 rabi crops and two other commercial crops.**
 - **Associated issues:**
 - **Majority of farmers remain uncovered:** According to a NSSO survey, **less than 6% of Indian farmers** (over 9 crore agricultural households) have benefited directly from selling their wheat or rice under the MSP regime.
 - **Procurement is concentrated in a few states:** For example, Punjab, Haryana, western UP, Chhattisgarh and Telangana for paddy; Telangana and Maharashtra for cotton, etc.
 - **Poor implementation of the MS Swaminathan Commission recommendations:** It recommended that MSP should be at least 50% more than the weighted average cost of production.
 - **Govt's silence on the legal guarantee to MSP:** The Union Ministry of Agriculture and Farmers Welfare notified a committee (headed by former agriculture secretary Sanjay Agrawal) to make the MSP more effective and transparent.
 - However, the committee's terms of reference **do not include any legal guarantee to MSP**, which was one of the key demands of the farmers protest of 2020-2021.

5. [Granting bail in UAPA cases](#) **GS 2 (Governance)**

- **Why in News:**
 - Recently, the Supreme Court denied bail to Gurwinder Singh, an accused in an alleged Khalistan module.



- He has been accused of being part of a larger conspiracy with Sikhs for Justice, a pro-Khalistan group banned by the Indian government.
- Courts have sometimes granted bail under the UAPA, despite its stricter bail conditions. They have interpreted Section 43D (5) to allow bail in exceptional cases.
- However, in most instances, courts still deny bail, even though some rulings have made it harder for the state to oppose bail.
- **The Unlawful Activities Prevention Act (UAPA), 1967**
 - **About**
 - Enacted in 1967, UAPA is the primary counter-terror law in India.
 - It was enacted to outlaw and penalise unlawful and terrorist activities, which pose a threat to the integrity and sovereignty of India.
 - These activities include:
 - i. Aiding and abetting terrorists
 - ii. Funding terrorists
 - iii. Inciting anti-national feeling in the masses
 - iv. Other unlawful activities against the state
 - **Key provisions of UAPA**
 - **Wide ranging powers to Central Govt**
 - i. It provides wide-ranging powers to the Central Government to designate organisations as terrorist organisations
 - ii. It also prescribes the penalties for taking part in the activities of such organisations.
 - **Applicability**
 - It is also applicable if the offences are committed outside India. Both Indian and foreign nationals can be charged.
 - **Timeline**
 - i. A charge sheet can be filed in maximum 180 days after the arrests.
 - ii. The investigation has to be completed within 90 days.
 - iii. If investigation is not completed with the stipulated time, the accused is eligible for default bail.
 - **Special court**
 - The act establishes a special court designated to conduct trials.
 - **Sanction to prosecute under UAPA**
 - Section 45(1) of the UAPA says **no court shall take cognizance of any offence under the Act without the previous sanction of the central or state government or any officer authorised by them.**
 - Under Section 45(2), the sanction for prosecution has to be given within a prescribed time only after considering the report by the competent authority.
- **2019 Amendment of UAPA**
 - The original act was amended in the years 2004, 2008, 2013, and 2019 to increase its scope and ambit. 2019 amendment changed the following:
 - **Who may commit terrorism:**
 - The amendment additionally empowers the government to **designate individuals as terrorists on the same grounds.**
 - **Approval for seizure of property by NIA:**
 - The Amendment adds that if the investigation is conducted by an officer of the NIA, the approval of the Director General of NIA would be required for seizure of such property.
 - **Insertion to schedule of treaties**
 - The Act defines terrorist acts to include acts committed within the scope of any of the treaties listed in a schedule to the Act.
 - The Schedule lists nine treaties, including the Convention for the Suppression of Terrorist Bombings (1997), and the Convention against Taking of Hostages (1979).
 - The Amendment adds another treaty to the list. This is the International Convention for Suppression of Acts of Nuclear Terrorism (2005).
- **Section 43D(5) of UAPA**
 - **About**
 - This provision deals with the granting of bail to the terror accused. The provision makes grant of bail virtually impossible under UAPA.
 - The test for denying bail under the UAPA is that the **court must be satisfied that a “prima facie” case exists against the accused.**
 - It says that someone accused of a crime under this Act can't get bail unless the Public Prosecutor has a chance to speak about it.
 - If the court looks at the case diary and believes there are good reasons to think the accusation is likely true, then the accused person cannot get bail.
 - The law states that if the court relies solely on the police's version, the accused must convince the court that it's not reasonable to believe the accusations are true at first sight.

- By putting this burden on the accused, the fundamental idea in criminal law that a person is innocent until proven guilty is changed in the UAPA framework.
- **Supreme Court on Section 43D (5) of UAPA**
- In the case of **Zahoor Ahmed Shah Watali**, the Supreme Court in 2019 confirmed that courts must accept the state's case without examining its merits while granting bail.
 - In other words, it directed courts not to analyse evidence or circumstances but look at the totality of the case presented by the state while deciding on bail petition.
 - In **Union of India v K A Najeed**, January 2021, SC upheld the grant of bail under UAPA when the accused had undergone incarceration for a significant period.
 - However, it recognised that bail under UAPA was an exception.
 - SC was of the view that the legislative policy against grant of bail would not hold ground if:
 - there is no likelihood of trial being completed within a reasonable time and
 - the period of incarceration already undergone has exceeded a substantial part of the prescribed sentence.
 - In this case, SC tried to ensure that provisions like Section 43D(5) of UAPA is not used as the sole metric for the denial of bail.
 - **It incorporated the constitutional right to speedy trial as a ground for granting bail.**
 - In July 2023, the Supreme Court, in the case of **Vernon Gonsalves v State of Maharashtra**, disagreed with the Watali ruling regarding how the "prima facie true" test should be applied.
 - **The bench stated that the test wouldn't be satisfied unless there's some basic analysis of the evidence's value during the bail examination, and the quality of evidence convinces the court of its worth**
 - Since both the Watali and Gonsalves rulings came from benches with the same number of judges, it remains to be seen how future benches will use the test.
 - If there's **significant disagreement between different two-judge benches, a larger bench will need to settle the law.**

6. Escalating human-animal conflict in Kerala

Recent events of importance

- **Why in News:** Wayanad is on the boil after a radio-collared wild elephant chased a 47-year-old man and trampled him to death, inside a gated property in a residential area. The tragedy brings to attention escalating human-animal conflict in the state.
 - **Why human-wildlife conflict takes place in Kerala?**
 - **Large forest area:** Forest covers nearly 30% of the State's geographical area.
 - **Human settlements in close proximity to forests:** For a relatively small State with an average width of just around 70 km and a population of more than 3.46 crore, this means numerous densely populated human settlements are located close to protected forest regions.
 - **Agricultural plantation near wildlife habitat:** Moreover, a large number of agricultural plantations too lie near wildlife habitats.
 - **Other reasons:**
 - **significant increase** in the population of animals like elephants and tigers due to conservation efforts
 - **substantial increase** in the population of prolific breeders like wild boars and peacocks
 - **habitat depletion and fragmentation** caused by human activities
 - **invasive alien species** have reduced the availability of food and water
 - **movement** of livestock and humans in wildlife habitats during odd hours
 - **How severe is this conflict?**
 - In recent years, Kerala has seen a sharp increase in the number of such incidents with those living near forest fringes suffering crores of rupees worth of damage to livelihood.



- Government data for 2022-23 recorded 8,873 wild animal attacks, of which, 4193 were by wild elephants, 1524 by wild boars, 193 by tigers, 244 by leopards, and 32 by bison. Of 98 reported deaths, 27 were due to elephant attacks.
- Beyond posing risk to humans, these attacks also devastated Kerala's agriculture sector.
- From 2017 to 2023, there were 20,957 incidents of crop loss due to wild animal raids which also killed 1,559 domestic animals, mainly cattle.
- **Wild elephants** were involved in the highest number incidents in the State. **Pachyderms** were responsible for 14,611 incidents recorded between 2013-14 and 2018-19.
- **Wild boars (5,518), bonnet macaques (4,405) and snakes (2,531)** are the others in this category.
- **Elephants, bonnet macaques and wild boars** have caused the most damage to farmers residing in forest fringe areas.
- Herbivores such as **sambar, spotted deer and gaur** too have contributed significantly to crop damage.
- **How Kerala is addressing the issue?**
 - The state has several schemes meant to prevent animals from entering human settlements. These include
 - schemes for the construction of elephant-proof trenches
 - elephant-proof stone walls
 - solar powered electric fencing
 - To keep animals in forests, Kerala has also undertaken eco-restoration programmes. The state is also running a scheme to acquire land from farmers, to be then converted into forestland.
 - In areas which see the highest incidence of human-animal conflict, 15 Rapid Response Teams have also been established — eight permanent, and seven temporary. 25 new RRTs will be established in the coming years.
- **Government Measures:**
 - **National Human-Wildlife Conflict Mitigation Strategy and Action Plan of India:** It is a guiding document facilitating a holistic approach to mitigate human-wildlife conflict (HWC), in an inclusive and sustainable manner.
 - **Project Elephant:** The scheme aimed at protecting and conserving elephants and their habitats in the country. It was launched in 1992.
 - **Elephant reserves:** Elephant Reserve is a management entity notified by the State Governments as per the recommendation of the Government of India.
 - There are **33 elephant reserves in India**. **Dandeli Elephant Reserve** in Karnataka, **Singphan Elephant Reserve** in Nagaland, **Agasthiyamalai Elephant Reserve** in Tamil Nadu and **Terai Elephant Reserve** (Uttar Pradesh) are the most recent additions to India's Elephant Reserves.
 - **Compensatory Afforestation Fund Act, 2016:** It also assisted to develop wildlife habitats, establishing animal rescue centers, etc.
 - **Monitoring of Illegal Killing of Elephants (MIKE) Programme** - Mandated by the Conference of Parties (COP) resolution of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

14th Feb, 2024

1. Centre Rules out MSP Law

GS 2 (Governance)

- **Why in News:** The ongoing farmer protests in India have once again brought the issue of Minimum Support Price (MSP) to the forefront. As farmers take to the streets demanding legal guarantees for MSP, the government faces a delicate balancing act.
- **What Is MSP?**
 - Minimum Support Price (MSP) is the price set by the government at which it directly purchases agricultural products from farmers if the open market prices fall below this threshold.
 - The primary purpose of MSP is to protect farmers against drastic price fluctuations during market volatility.
 - It ensures a safety net for farmers, especially during bumper production years.
 - It covers 22 crops, including paddy, wheat, maize, arhar (pigeon pea), cotton, and mustard seeds and Fair and Remunerative Price for sugarcane.
 - The MSP is calculated based on different cost components:
 - A2 Cost:** This includes actual paid-out expenses such as seeds, fertilizers, pesticides, labor, and other direct costs incurred during cultivation.
 - A2+FL Cost:** In addition to A2, this covers the imputed value of family labor involved in farming. It recognizes the contribution of family members who work on the farm without receiving a direct wage.
 - C2 Cost:** The most comprehensive, C2 encompasses A2+FL and adds rental value of owned land and interest on capital (including machinery and equipment). It represents the total cost of production and ensures a reasonable return on investment for farmers
 - The MSP is recommended by the Commission for Agricultural Costs and Prices (CACP) based on various factors:
 - **Cost of Production:** The CACP considers the cost incurred by farmers in cultivating a crop, including expenses on seeds, fertilizers, labor, and machinery.
 - **Demand and Supply:** The availability of a particular crop in the market influences its MSP. If there's excess supply, the MSP may be adjusted accordingly.
 - **Price Trends:** Domestic and international price trends impact the MSP. The government aims to provide a price that covers production costs and ensures a reasonable profit for farmers.
 - **Terms of Trade:** The balance between agricultural and non-agricultural sectors affects the MSP. The government strives to maintain a fair exchange between these sectors.
 - **Significance of MSP**
 - **Income Security:** MSP assures farmers a minimum income for their produce. It encourages them to invest in agriculture without fear of losses.
 - **Market Stability:** By setting a floor price, MSP prevents drastic fluctuations in crop prices. This stability benefits both farmers and consumers.
 - **Food Security:** MSP ensures adequate food production. It incentivizes farmers to grow essential crops like wheat, rice, and pulses.

- **The Swaminathan Commission's Recommendation**

Centre rules out MSP law, offers talks with farmers

Farmers, police clash at Haryana-Punjab boundary; Delhi under tight security net; SKM urges PM to intervene and stop using force against farmers, asks splinter group to join strike on February 16

The Hindu Bureau
NEW DELHI

As the protests by farmers' groups escalated into a full-blown conflict with the security forces at various points on the Haryana-Punjab boundary on Tuesday, the Union government yet again made it clear that announcing a guaranteed minimum support price (MSP), the key demand of the farmers, will not be possible. The government, however, offered a third round of talks with the leaders of the groups. The protests were led by the Samyukt Kisan Morcha - Non-Political (SKM-NP), a splinter group of the Samyukt Kisan Morcha (SKM), and the Kisan Mazdoor Morcha (KMM). The constituents of SKM urged Prime Minister Narendra Modi to



Chaos ensues: Police personnel fire tear gas at farmers protesting at Shamshi barrier in Punjab on Tuesday. (Source: Anshu Kataria)

intervene and stop using force against the farmers and asked the SKM-NP to stop fighting separately and support the rural and industrial strike on February 16. Union Agriculture Minister Arjun Munda and Information and Broadcasting Minister Anurag Thakur asked the farmers

to be wary of "disruptive elements" in their movement. Mr. Munda told the media that on a law for guaranteed MSP, the Centre had to look at all sides of it. The Opposition jumped into the scene, with the Congress saying it would implement a guaranteed MSP if it came to power.

Farmers have been invited for yet another round of talks, which is likely to be held on Wednesday. The two rounds of discussions, led by Mr. Munda and Minister Piyush Goyal, had collapsed. "We will wait for the outcome of it [talks] and if it fails, farmers will breach the blockades and start marching to Delhi," said K.V. Biju, a senior leader of SKM-NP. He said more than 60 farmers were injured in the lathi charge and firing of rubber bullets and tear gas shells on them by the police. Meanwhile, in anticipation of the march, the boundaries of the Capital remained heavily barricaded.

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- The MS Swaminathan Commission, in its report, recommended that the government should raise the MSP to at least 50% more than the weighted average cost of production (C2+ 50% formula).
- This formula includes the imputed cost of capital and land rent, providing farmers with a fair return on their investment.
- **Earlier Events**
 - **Committee Formation:** Over two years ago, during the previous farmer protests against the three contentious farm laws, the Union Government established a committee to examine the MSP mechanism further. This committee included farmers' representatives, central and state governments, agricultural economists, and scientists.
 - **Benefits of Legal Status of MSP**
 - **Providing Income Security:** MSP provides procurement by the government at a minimum guaranteed price. Legalising it would ensure that farmers have a guaranteed and fair compensation.
 - **Prevention of Distress Sales:** With guaranteed procurement by government at MSP farmer would not resort to distress sales in case price of crops falls below MSP level.
 - **Encourages Crop Diversification:** The legalisation of MSP would lead to procurement of crops beyond rice and wheat which forms bulk of the government procurement now, which in turn would incentivise farmers to diversify their crops.
- **Issues with Legal Status for MSP**
 - **Infrastructure:** Establishing the necessary infrastructure for MSP enforcement may be complex. Adequate storage facilities are crucial for procuring produce at MSP rates, especially when buyers are scarce.
 - **Resource Constraints:** The government might lack the physical resources to store large quantities of crops. Balancing procurement costs and expenditure becomes a critical concern.
 - **Fiscal burden:** Providing legal guarantee to MSP will greatly increase the food subsidy bill which is already 1.9% of gdp in 2022.
 - **Market distortion:** It will disincetivise private traders from procuring cereals as price fluctuations will make it economically unviable.
 - **WTO subsidy Principle:** It will violate the subsidy principle of WTO according to which subsidies which are market distortionary should be abolished.
- **World's Largest Decentralized Grain Storage Plan in Cooperative sector:** Government has approved a plan to create warehouses, custom hiring centers, primary processing units and other agri infrastructure for grain storage at PACS level, through convergence of various GOI schemes, including AIF, AMI, SMAM, PMFME, etc. This will reduce wastage of food grains and transportation costs, enable farmers to realize better prices for their produce and meet various agricultural needs at the PACS level itself. 27 States/ UTs and National level Cooperative Federations such as National Cooperative Consumers Federation (NCCF) and National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), have identified more than 2,000 PACS for creation of storage capacity under the Pilot Project.

2. Old-Fashioned Trust and Credibility Bind India-UAE Ties

GS 2 (International Relations)

• Why in News:

- In a global diplomatic landscape often characterised by transactional relationships, the bond between the Indian PM and President Sheikh Mohamed bin Zayed Al Nahyan of the United Arab Emirates (UAE) stands out.
- It has become a testament to the enduring power of personal connections in international affairs.
- Therefore, it becomes crucial to examine the multifaceted aspects of the Indian PM's recent visit to the UAE, highlighting the depth and significance of the bilateral relationship.

• Foundations of the Robust Relationship Between PM Modi and President Sheikh Zayed

- **Trust and Mutual Respect**
 - At the heart of their relationship is a **profound level of trust and mutual respect**.
 - **This trust has been cultivated** over time through consistent personal interactions and a demonstrated commitment to each other's interests.
 - **The leaders have shown a willingness to engage in open and candid discussions**, fostering an environment where strategic decisions can be made with confidence.
- **Personal Connections and Regular Interactions**
 - **The personal connections** between the two have played a pivotal role in shaping the nature of their diplomatic ties
 - **Regular interactions**, both formal and informal, have allowed them to understand each other on a deeper level.
 - **These interactions contribute to the development of a relationship** that is not solely based on official engagements but is enriched by shared experiences and personal understanding.
- **Convergence of Strategic Interests**
 - Beyond trust and credibility, **the relationship thrives on a convergence of strategic interests**.
 - **Modi and Sheikh Mohamed recognise the mutual benefits** of a strong alliance and actively work towards aligning their countries' interests.
 - **This shared vision for the future underpins** the long-term sustainability and dynamism of their bilateral relationship.
- **Old-World Construct in Modern Diplomacy**
 - The nature of Modi and Sheikh Mohamed's relationship is **reminiscent of an old-world construct in modern diplomacy**.
 - It reflects an era where **personal connections and deep-rooted trust** were essential components of international alliances.
 - In an age of rapidly changing geopolitical dynamics, **their approach stands out as a model that values enduring relationships and shared values** over transient diplomatic gains.
- **Chronicle of Visits**
 - **PM Modi's frequent visits** underscore the **strategic importance of the relationship**.
 - Notable events include bilateral visits, addressing COP28, and special invitations to global summits.
 - **President Sheikh Mohamed reciprocates** by participating in major Indian summits, indicating a high level of mutual engagement.
- **Significance of PM Modi's Visit Amidst India-UAE Special Partnership**
 - **Religious and Cultural Ties**
 - **The timing of PM Modi's visit aligns with the religious calendar** for the inauguration of a grand Hindu temple in Abu Dhabi.
 - **The temple, initiated during Modi's first visit in 2015**, symbolises the acknowledgment of the UAE's large Hindu community.
 - **The cultural significance** of the temple inauguration **generates excitement among the 3.5 million-strong Indian community in the UAE**.
 - **Economic Collaboration**
 - PM Modi's visit extends beyond symbolic gestures, **with a focus on economic ties**.
 - **The Bharat Mart initiative, in collaboration with DP World**, aims to boost exports of Indian SMEs through retail, warehousing, and logistics facilities in Dubai.

Old-fashioned trust and credibility bind India-UAE ties

As a time when diplomacy is widely regarded as transactional, the deeply personal relationship between Prime Minister Narendra Modi and Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates (UAE), stands out as something of an old-world construct.

It is a bond where trust and credibility outweigh diplomatic reciprocity and protocol, where a convergence of strategic interests is bolstered by regular interactions in lay the foundations of one of India's most dynamic and consequential bilateral relationships.

Much of this is on display during PM Modi's ongoing visit to the UAE for the third time in barely eight months. He had made a bilateral visit in July 2022 followed by one for COP28 in November, where he was given the rare honour of being the only visiting dignitary to address the ceremonial opening session. Sheikh Mohamed was in Delhi in September for the G-20 Summit as one of India's special invitees, returning in January 2024 to participate in the Vibrant Gujarat Global Summit as chief guest.



Narendra Modi
was India's
Prime Minister to the
United Arab Emirates

A visit with substance
The timing of this visit is, in a sense, unique because it has been determined by the religious calendar for the inauguration of the grand Hindu temple in Abu Dhabi. The Prime Minister's presence will also serve as a reminder that it was during his first visit in August 2015 that he had requested the country's leadership to provide land for a temple that would meet the religious and spiritual needs of the UAE's large Hindu community. There is little doubt that the temple inauguration on February 14 has created excitement among the 3.5 million strong Indian community in the UAE. There was also the mega event dubbed Abham (Welcome Modi at the Zayed Sports City Stadium in Abu Dhabi).

While the inauguration of the temple and the

spectacle of Abham Modi will undoubtedly dominate the headlines, it should not detract anything from the other substantive aspects of this visit. These include the Prime Minister's address as guest of honour at the 18th World Government Summit in Dubai.

Often billed as Dubai's version of Davos, this is a major annual conference that attracts government leaders, heads of international organisations, captains of industry and thought leaders from around the world. The focus of this year's summit is on 'Shaping Future Governance' and gives India a platform to put forth its own views before an influential global audience.

Strengthening economic ties
Mr. Modi is also expected to kick off the much-anticipated Bharat Mart, a key initiative of Dubai-based DP World and India's Ministry of Commerce and Industry to boost exports of Indian Micro, Small and Medium Enterprises by providing them retail, warehousing and logistics facilities in Dubai's Jebel Ali Free Zone Area. DP World will build around 800 showrooms and 18 warehouses over the next 24 months on a 1.3 million square feet plot to allow Indian manufacturers of machinery, electrical and electronics products, auto components, medical equipment, furniture, apparel, processed foods, pharmaceuticals, cosmetics, and handicrafts to showcase their products and access buyers and markets in Iran, Central Asia, Africa and the Middle East.

The unique combination of CEPA and the Bharat Mart has the potential to provide a strong impetus to export of India's manufactured goods even as the initial steps to start trading in national currencies promise to reduce transaction costs. The memorandum of understanding signed at the bilateral engagement would also further strengthen the economic relationship between India and the UAE.

There are several other major achievements for which the two sides can legitimately take credit. The Indian Institute of Technology Delhi has begun its master's programme in energy transition and sustainability at its interim campus in Abu Dhabi. Rising investments from the UAE have made it the fourth highest source of foreign direct investment into India in 2022-23. The Abu Dhabi Investment Authority (ADIA) will soon open an office in GIFT City, Gujarat. A 14-year deal, by Indian Oil Corporation Limited, to buy 1.2 million metric tonnes per annum of liquefied natural gas from the Abu Dhabi National Oil Company during 2026-30 has been signed to boost India's energy security. And, discussions on several sensitive areas of defence cooperation are making good progress.

Regional issues
The talks between Mr. Modi and Sheikh Mohamed bin Zayed also provided an opportunity to review the deteriorating situation in the region in the context of the ongoing war in Gaza, the attacks by Houthi on shipping in the Red Sea, and the clear and present danger of an escalation. Longer shipping times, higher freight costs and a possible hike in oil prices can pose a significant risk to India's economic growth, and it is important that the government coordinates closely with a key regional player such as the UAE, along with countries such as Saudi Arabia and Egypt to make sure that India's interests are protected.

- DP World will **build around 800 showrooms and 18 warehouses over the next 24 months on a 1.3 million square feet plot** to allow Indian manufacturers of machinery, electrical and electronics products, etc., to **showcase their products**.
- It will also help Indian manufacturers to **access buyers and markets in Iran, Central Asia, Africa, and the Middle East**.
- The Bharat Mart project comes on the heels of the **ambitious India-UAE Comprehensive Economic Partnership Agreement (CEPA)** which completed its first year in 2023 and has already seen **India's trade with the UAE grow by 16% to \$85 billion**.
- **UAE's investments, making it India's fourth-highest source of FDI**, underline growing economic ties.
- **Strategic Agreements and Collaborations**
 - Collaborations in education, **such as the IIT Delhi's master's program in Abu Dhabi**, showcase strides in academic partnerships.
 - Agreements on energy security, defence cooperation, and the **opening of an Abu Dhabi Investment Authority office in GIFT City** further solidify the relationship.
- **PM's address as guest of honour at the 11th World Government Summit**
 - Often billed as Dubai's version of Davos, **this is a major annual conference that attracts government leaders, heads of international organisations, captains of industry from around the world**
 - The focus of this year's summit is on **'Shaping Future Governments'** giving India a platform to put forth its own views before an influential global audience.
- **A Discussion on Regional Issues**
 - The talks between Mr. Modi and Sheikh Mohamed bin Zayed also provided an opportunity to review the **deteriorating situation in the region** in the context of the ongoing war in Gaza.
 - Talks also included the attacks by Houthis on shipping in the Red Sea, and the clear and present danger of an escalation.
 - Longer shipping times, higher freight costs and a possible hike in oil prices can pose a significant risk to India's economic growth.
 - **Therefore, it is important that the government coordinates closely with a key regional player such as the UAE**, along with countries such as Saudi Arabia and Egypt to make sure that India's interests are protected.
- **Potential Challenges in India-UAE Strategic Partnership**
 - **Labour Related Issues**
 - **The large Indian expatriate community in the UAE**, particularly in sectors like construction and domestic work, **may face challenges related to labour rights, working conditions, or issues of exploitation**.
 - This could potentially **strain diplomatic ties if not addressed adequately**.
 - **Economic Diversification**
 - **The UAE has been working towards diversifying its economy** away from oil dependence.
 - As India and the UAE deepen economic ties, **there may be challenges in aligning interests and finding new avenues for cooperation** amid changes in the UAE's economic landscape.
 - **Regional Dynamics**
 - **The geopolitical situation in the Middle East can impact the India-UAE relationship**.
 - Regional conflicts, tensions, or alliances may influence the diplomatic ties between the two countries.
 - **Security Concerns**
 - Given the global security environment, **both India and the UAE face common security challenges such as terrorism and maritime security**
 - **Coordinating efforts to address these concerns** while respecting each other's sovereignty could be a complex task.
- **Conclusion**
 - Prime Minister Modi's visit to the UAE **exemplifies the strength of a relationship built on trust, personal connection, and shared strategic interests**.
 - Beyond the symbolic temple inauguration, **the visit encompasses economic collaborations, educational partnerships, and discussions on regional stability**.
 - **The multifaceted nature of India's diplomatic ties with the UAE has the potential for further growth in this strategic alliance**.

3. [Rights of Forest-Dwellers in India](#)

GS 2 (Social Issues)

- **Background**
 - Earlier this month, the notification of the Thanthai Periyar Sanctuary in Erode district of Tamil Nadu triggered concerns among forest-dwellers around it.

- They expressed fear that this may lead to their rights under the **Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (FRA)** being denied.
- They have accused the district and State administrations of violating relevant laws.
- The **Thanthai Periyar Sanctuary** is located between the **Sathyamangalam Tiger Reserve** of Tamil Nadu, the **Male Mahadeshwara Wildlife Sanctuary** and the **Cauvery Wildlife Sanctuary** of Karnataka.
- Six **tribal forest villages** — denied basic rights and facilities because these are not revenue villages — have been excluded from the sanctuary.
- These settlements are confined to an arbitrary area of 3.42 sq. km.
- **About Forest Rights Act, 2006:**
 - The Forest Rights Act (FRA), 2006 recognizes the rights of the forest dwelling tribal communities and other traditional forest dwellers to forest resources, on which these communities were dependent for a variety of needs, including livelihood, habitation and other socio-cultural needs.
 - **Objectives:**
 - To undo the historical injustice occurred to the forest dwelling communities.
 - To ensure land tenure, livelihood and food security of the forest dwelling Scheduled Tribes and other traditional forest dwellers.
 - To strengthen the conservation regime of the forests by including the responsibilities and authority on Forest Rights holders for sustainable use, conservation of biodiversity and maintenance of ecological balance.
- **What Rights Do Forest Dwellers Get Under the Act?**
 - The Forest Rights Act, 2006 recognises three types of Rights:
 - **Land Rights:**
 - The Act gives the forest dwellers the right to ownership to land farmed by them, subject to a maximum of 4 hectares per family.
 - Ownership is only for land that is actually being cultivated by the concerned family and no new lands can be granted.
 - The land cannot be sold or transferred to anyone except by inheritance.
 - **Use Rights:**
 - The rights of the dwellers extend to extracting **Minor Forest Produce** (such as tendu patta, herbs, medicinal plants etc.), **grazing areas**, to **pastoralist routes**, etc.
 - Minor forest produce does not include timber.
 - **Right to Protect and Conserve:**
 - The Act gives the forest dwelling communities the right to protect and manage the forest.
 - This is vital for the thousands of village communities who are protecting their forests and wildlife against threats from forest mafias, industries and land grabbers.
- **Who Can Claim These Rights?**
 - Members or community of the Scheduled Tribes who primarily reside in and who depend on the forests or forest lands for bona fide livelihood needs.
 - It can also be claimed by any member or community who has for at least three generations (**75 years**) prior to **13th December, 2005** primarily resided in forests land for bona fide livelihood needs.
- **How Are These Rights Recognised?**
 - Section 6 of the Forest Rights Act, 2006 provides a transparent three step procedure for deciding on who gets rights:
 - **Step-1:** Gram Sabha makes a recommendation — i.e. who has been cultivating land for how long, which minor forest produce to be collected, etc.
 - **Step-2:** The Gram Sabha's recommendation goes through two stages of screening committees at the Taluka and District levels.
 - **Step-3:** The District Level Committee makes the final decision. The committees have six members — three government officers and three elected persons.
- **About Gram Sabha:**
 - Gram Sabha is a body consisting of all persons whose names are included in the electoral rolls for the Panchayat at the village level.
 - The term is defined in the Constitution of India under **Article 243(b)**.
- **What Are the Rights in the Thanthai Periyar Sanctuary?**
 - As per the new notification, cattle-grazers can no longer graze in the Thanthai Periyar Sanctuary.
 - **Bargur cattle**, a traditional breed native to the Bargur forest hills, may now be prevented from accessing their traditional grazing grounds.

On the rights of forest-dwellers

Why has the notification of the Thanthai Periyar Sanctuary in the forest, district of Tamil Nadu left forest-dwellers angry? How should national parks and sanctuaries be notified? What was the historical injustice, the Forest Rights Act was supposed to rectify?



- In March 2022, the Madras High Court revised an older order imposing a total ban on cattle grazing in all the forests of Tamil Nadu and restricted the ban to national parks, sanctuaries, and tiger reserves.
- **Tamil Nadu is the only State in the country where there is such a ban.**
- This order is despite the FRA, which recognised “grazing (both settled or transhumant) and traditional seasonal resource access of nomadic or pastoralist communities” in all forests.

4. SC refuses to stay law to appoint ECs

GS 2 (Governance)

- **Why in News:** The Supreme Court refused, for a second time, to ban a contentious new law on the appointment of election commissioners.
- **About the Bill:**
 - **Background:** The Bill replaces the **Election Commission (Conditions of Service of Election Commissioners and Transaction of Business) Act, 1991.**
 - **Aim:** The bill provides details related to the **appointment, qualifications, search committee, selection committee, term of office, salary, resignation and removal, leave, and pension** of the chief election commissioner and other election commissioners
 - **Provisions of the Bill:**
 - As per the provisions of the bill, the CEC and ECs will be appointed by the **President of India** on the recommendation of a selection committee.
 - However, the panel will consist of **three members – the prime minister, the Union cabinet minister, and the leader of the opposition.**
 - Recommendations of the Selection Committee will be valid even when there is a vacancy in this Committee.
 - A **Search Committee** headed by the Cabinet Secretary will propose a panel of names to the Selection Committee.
 - **Eligibility for the posts** includes holding (or having held) a post equivalent to the Secretary to the central government.
 - The **salary and conditions** of service of the CEC and ECs will be equivalent to that of **Cabinet Secretary**. Under the 1991 Act, it was equivalent to the salary of a **Supreme Court Judge**.
 - **Eligibility criteria:** The CEC and ECs must:
 - be persons of integrity,
 - have knowledge and experience in the management and conduct of elections, and
 - be or have been Secretary (or equivalent) to the government.
 - **Term and reappointment:** Members of the Election Commission will hold office for six years, or until they attain the age of **65 years**, whichever is earlier.
 - Members of the Commission cannot be re-appointed. If an EC is appointed as a CEC, the overall period of the term may not be more than six years.

Supreme Court refuses to stay law on CEC, EC appointment

The Hindu Bureau
NEW DELHI

The Supreme Court on Tuesday refused to pass any interim orders staying the operation of a new law on the appointment of Chief Election Commissioner (CEC) and Election Commissioners.

Appearing before a Bench headed by Justice Sanjiv Khanna, advocate Prashant Bhushan, representing Association for Democratic Reforms (ADR), said the elections were near and Election Commissioner Anup Chandra Pandey was retiring on Wednesday.

However, the Bench recalled that there were other petitions challenging the law and they had been posted for hearing in April. The court, issuing notice, said the current plea would also come up for hearing along with the others.

The new law had removed the Chief Justice of India from the committee to be replaced by a Union Cabinet Minister nominated by the Prime Minister, effectively giving the government primacy in the appointment process.

5. MEA told to monitor organ transplantation process for foreigners.

GS 2 (Governance)

- **Why in News:** The **Union Health Ministry** has written to the **Ministry of External Affairs** to identify a nodal officer for coordinating organ donations and transplants undertaken by foreigners to prevent any possible commercial dealings in the process.
- **What is the need?**
 - Many foreign nationals are coming to India for various types of organ transplantations. They could be a prospective recipient or donor of organs and may be visiting on a medical or attendant visa.
 - A "recent media report has highlighted that in some such cases, the veracity of the documents to establish relationship between the donor and the recipient, their identity documents, proof of residence etc. cannot be established confidently and the same may not be genuine".
 - The **Union Health Ministry** has written to the **Ministry of External Affairs** to

MEA told to monitor organ transplantation process for foreigners

The Hindu Bureau
NEW DELHI

Aimed at preventing any possible commercial dealings in organ or tissue transplantation sought by foreigners, Health Secretary Apurva Chandra, in a written communication, alerted the Ministry of External Affairs to possible violations of rules and asked support to establish systems for monitoring the process.

The Health Ministry said foreign nationals were coming to India for various types of organ transplantation. They could be a prospective recipient or donor of organs and might be visiting on a medical or attendant visa.

"A recent media report has highlighted that in some cases, the veracity of

the documents to establish relationship between the donor and the recipient, their identity documents, proof of residence etc cannot be established confidently and the same may not be genuine," Mr. Chandra said in his letter to Foreign Secretary Vinay Kwatra.

Listing out the provisions under the Transplantation of Human Organ and Tissues Act, 1994, the Ministry sought that these rules be disseminated to all embassies and missions of foreign countries in India and also to the government concerned, in case an embassy or a mission does not exist in India. It also requested that a nodal officer be identified for coordinating the process of organ donation and transplantation for foreigners.

identify a nodal officer for coordinating organ donations and transplants undertaken by foreigners **to prevent any possible commercial dealings in the process.**

- **What is organ transplantation?**

- The transplantation of an organ from one body to another is known as the organ transplant.
- The person who gives the organ is called the donor while the one who receives is called the recipient.
- Organ transplant is done to replace the recipient's damaged organ with the working organ of the donor so that the recipient could function normally.

- **What are the laws and rules governing the organ transplantation in India?**

- **Transplantation of Human Organs Act, 1994:** The primary legislation in India related to organ donation is Transplantation of Human Organs Act, 1994. The Act provides a system of removal, storage and transplantation of human organs for therapeutic purposes and for the prevention of commercial dealings in human organs.
- **Recent changes:** India has also updated its organ donation and transplant guidelines where
 - **No domicile criteria for receivers:** The domicile requirement has been done away with.
 - **No age ceiling:** With the new changes, patients who are 65 years and older can now register for receiving organs from a deceased donor.
 - **No registration fees:** The states are requested to not impose any fees on patients seeking registration for organ transplantation, as it violates the 2014 Transplantation of Human Organs and Tissues Rules.

- **Organ donation in India (Government data):**

- Organs from deceased donors accounted for nearly **8% of all transplants in 2022** in the country.
- The number of transplants has increased over the years.
- The total number of deceased organ transplants climbed from 837 in 2013 to 2,765 in 2022.
- The total number of organ transplants – with organs from both deceased and living donors – increased from 4,990 in 2013 to 15,561 in 2022.
- India conducts the third highest number of transplants in the world.
 - Every year, an estimated 1.5-2 lakh people need a kidney transplant. Only around 10,000 got one in 2022. Of the 80,000 people who required a liver transplant, less than 3,000 got one in 2022. And, of the 10,000 who needed a heart transplant.

- **National Organ and Tissue Transplant Organization (NOTTO)**

- The NOTTO is a national-level organisation housed in the Institute of Pathology (ICMR).
- It is mandated to establish a network for organ procurement and distribution and to maintain a national registry for the purpose of surveillance of organ donation and transplantation in the country.
- It was established under the **Directorate General of Health Services, Ministry of Health and Family Welfare, Government of India.**

6. Revised Policy Guidelines for Setting up Community Radio Stations (CRS) in India

GS 2 (Governance)

• Why in News:

- With a view to ensure the growth of the community radio sector, the Information and Broadcasting Minister released revised policy guidelines for setting up CRSs in India on the occasion of World Radio Day (February 13th).
- The guidelines were released during the Regional Community Radio Sammelan (South) at Anna University, Chennai, to celebrate 20 years of Community Radio in India.

• What are Community Radio Stations (CRS)?

- Community Radio is an **important third tier** in Radio Broadcasting, distinct from Public Service Radio broadcasting and Commercial Radio.
- **CRSs are low power Radio Stations**, which are meant to be set-up and operated by **local communities**.
- **In 2002**, the Government of India approved a policy for the grant of licence, for setting up of CRSs, to well established educational institutions.
- **The Policy Guidelines were amended in 2006** permitting community-based organisations such as ICAR institutions, Krishi Vigyan Kendras, Registered Societies; Public charitable Trusts; etc., to own and operate CRSs.
 - This was to allow greater participation on issues relating to development and social change.

• Significance of the Community Radio:

- They provide a platform to communities **to air local voices on issues** concerning **Health, Nutrition, Education, Agriculture,**
- Since the Community Radio broadcast is in **local languages and dialects**, people are able to relate to it instantly.
- Community Radio also has the **potential to strengthen people's participation in development programmes** through its holistic approach.
- In a country like India, where every state has its own language and distinctive cultural identity, **CRSs are also a repository of local folk music and cultural heritage.**
- The unique position of CRS is an instrument of positive social change, which makes it an ideal tool for **community empowerment.**

• Establishment of CRS in India:

- **The first Community Radio** in India was started on 1st February 2004 at Anna University, Chennai.
- Later, licences were granted for setting up **CRSs at well-established educational institutions** including IITs/IIMs.
- The Government decided to broaden the policy **by bringing 'Non-profit' organisations like civil society and voluntary organisations under its ambit.**
- The Government has been taking several proactive steps enabling **ease of registration** by making the process for submission of applications completely online.
- The sector has grown substantially and the number of CRSs has increased from 140 in 2014 to **481** in 2023 (out of which 155 were added in the last two years).
- In the next three years the target is to create more than 1000 CRSs in India.

• About the Revised Policy Guidelines:

- The guidelines include **an increase in advertising rate** to ₹74 per 10 seconds and advertising time to 12 minutes per hour.
- The licensee will set up an **advisory and content committee** comprising members of the local community, with 50% representation for women.
- The guidelines provide that an eligible organisation operating in multiple districts **would be allowed to set up a maximum of six CRS' in different districts of operation**, provided it fulfils certain conditions laid by the Ministry.
- The initial time period for the **'Grant of Permission Agreement'** has been increased to 10 years.
- The validity of the **Letter of Intent** issued to an organisation has been fixed at one year.
 - **A buffer of three months** is given to the applicant for unforeseen circumstances, and the timeline for the complete application process has also been fixed.
- The revised policy guidelines are expected to fuel growth of the community radio sector.

Govt. revises guidelines for community radio stations

The Hindu Bureau
CHENNAI

Minister of Information and Broadcasting Anurag Singh Thakur released the revised policy guidelines for setting up community radio stations at the Regional Community Radio Sammelan (South), a two-day conference, which commenced here on World Radio Day on Tuesday.

Addressing the conference through a video message, Mr. Thakur said that the revised guidelines allowed a single institution to set up a maximum of six stations in different districts of operation, increased the advertising time for the stations from seven minutes to 12 minutes per hour, and increased the rate of advertisement from ₹52 per 10



Anurag Singh Thakur

seconds to ₹74 per 10 seconds.

He said such measures will help in financial sustainability of the stations and further growth of the community radio sector. Pointing out that the first community radio was launched in 2004 by former Deputy Prime Minister L.K. Advani, he said the number of stations increased substantially after the present government led by Prime Minister Na-

arendra Modi came to power in 2014.

Highlighting that there were 481 community radio stations in India at the moment, he expressed hope that the number will increase over the next three years. He said each station was a reflection of the local model that had been built over the years and the experiential learnings collected and shared.

Minister of State for Information and Broadcasting L. Murugan, who delivered his speech through video conference, said there cannot be a better way to reach out to the community than this relatively inexpensive medium of community radio stations. He appealed to the stations to publicise the various welfare schemes being implemented by the government.

7. US Senate's \$95 billion bill to aid Ukraine GS 2 (International Relation)

• What is the Bill?

- Among other priorities, the foreign aid package contains billions of dollars for
 - security aid for Israel
 - humanitarian help for civilians in Gaza, the West Bank, and Ukraine
 - support for Kyiv
- The bill would open the way for desperately needed funding for Ukraine as it fights Russia's invasion.
 - The legislation's funds would be used to buy weapons and air defense systems manufactured in the United States, which are deemed critically necessary by the authorities as Russia continues to attack Ukraine.
 - Along with other aid, it contains \$8 billion for the Ukrainian government.
- The bill would also allocate \$9.2 billion for humanitarian aid to Gaza, \$8 billion for Taiwan and allies in the Indo-Pacific to oppose China, and \$14 billion for Israel to fight Hamas.

US Senate okays Ukraine aid Bill, but path ahead unclear

Republican-controlled House of Representatives will consider the Bill

REUTERS

WASHINGTON, FEBRUARY 13

THE DEMOCRATIC-LED US Senate Tuesday passed a \$95.34 billion aid package for Ukraine, Israel and Taiwan, although it faced an uncertain path ahead in the Republican-controlled House of Representatives.

The lawmakers approved the measure in a 70-29 vote that comfortably exceeded the chamber's 60-vote threshold for passage and sent the legislation on to the House. Twenty-two Republicans joined most Democrats to support the Bill.

"I call on Speaker Johnson to rise to the occasion, to do the right thing: Bring this bill to the floor quickly," Senate Majority Leader Chuck Schumer said.

It was not clear that Johnson would do so, having issued a statement before the Senate vote faulting it for lacking conservative provisions to stem a record flow of migrants across the U.S.-Mexico border.

The Senate vote occurred before sunrise, after eight headline Republican opponents of Ukraine aid held a marathon of speeches that dominated the chamber floor from Monday afternoon into the early hours on Tuesday. Ukrainian President Volodymyr Zelenskyy quickly hailed passage of the bill. "American assistance brings just peace in Ukraine closer and restores global stability, resulting in increased security and prosperity for all Americans and all the free world," he said on X.

Both houses of Congress must approve the legislation before Biden can sign it into law.

RUSSIA, WEST TRADE BARBS AT UNSC

United Nations: Russia accused the West on Monday of sabotaging agreements that would have prevented the war in Ukraine — but the US and its allies put the blame squarely on Moscow, saying there is no escaping that President Vladimir Putin ordered the invasion of its smaller neighbour. Days before the second anniversary of Russia's invasion on February 24, 2022, Russia's UN Ambassador Vassily Nebenzia again put the cause of the war down to the failure to implement the 2015 Minsk agreements. The agreements aimed to resolve the conflict between Ukraine and Russia-backed separatists that flared in April 2014 after Russia's annexation of Crimea. **AP**

Senate Republicans last week blocked a bill that would have coupled aid for Ukraine and other allies with the most sweeping changes to border policy in decades, after Donald Trump loudly criticised that deal.

The legislation includes \$61 billion for Ukraine, \$14 billion for Israel in its war against Hamas and \$483 billion to support partners in the Indo-Pacific, including Taiwan, and deter aggression by China. It would also provide \$9.15 billion in humanitarian assistance to civilians in Gaza and the West Bank, Ukraine and other conflict zones around the globe.

15th Feb, 2024

1. T.N. passes resolution against 'One Nation, One Election' plan

GS 2 (Governance)

- **Why in News:** The Tamil Nadu State Assembly unanimously passed resolution, urging the Union Government to not implement the idea of 'one nation, one election'.
- **What are simultaneous polls?**
 - Currently, elections to the state assemblies and the Lok Sabha are held **separately** — that is whenever the **incumbent government's five-year term ends** or whenever it is dissolved due to various reasons.
 - This applies to both the **state legislatures and the Lok Sabha**.
 - The terms of **Legislative Assemblies and the Lok Sabha** may not synchronise with one another.
 - **For instance**, Rajasthan faced elections in late 2018, whereas Tamil Nadu will go to elections only in 2021.
 - But the idea of "One Nation, One Election" envisages a system where elections to all states and the Lok Sabha will have to be held simultaneously.
 - This will involve the restructuring of the Indian election cycle in a manner that elections to the states and the centre synchronise.
 - This would mean that the voters will cast their vote for electing members of the LS and the state assemblies on a single day, at the same time (or in a phased manner as the case may be).
- **Constitutional and Statutory Provisions Relevant to the Issue:**
 - **Article 83(2) of the Constitution** provides for a normal term of five years for the House of People (Lok Sabha).
 - **Article 172 (1)** provides for a similar tenure for the **State Legislative Assembly** from the date of its first sitting. Tenure of the House **cannot be extended** beyond five years except in **emergency situations**
- **Views on Simultaneous elections:**
 - **By 21st Law Commission:** In its report on 'simultaneous polls' submitted on **August 30, 2018**, the 21st Law Commission had recommended synchronizing **all the Assembly elections** with the Lok Sabha polls.
 - It had suggested extending or curtailing the tenures of the Assemblies, as required, by a constitutional amendment to facilitate holding these Assembly polls with the Lok Sabha elections in May 2019.
 - It had also said the elections for the states other than those mentioned above could be bunched together and organised **two and a half years** after the Lok Sabha polls.
 - If simultaneous elections could not be conducted, the commission recommended that all elections falling due in a **calendar year be held together**.
 - The commission had recommended replacing the '**no-confidence motion**' with a '**constructive vote of no-confidence**', where the government might only be removed if there was confidence in an alternative government.

T.N. passes resolution against 'One Nation, One Election' plan

The Hindu Bureau
CHENNAI

The Tamil Nadu Assembly on Wednesday 'unanimously' adopted two resolutions against the Union government's 'One nation, One Election' proposal and the proposed delimitation after 2026.

The resolution against the proposed delimitation reads, "This august House urges the Union government that the delimitation process, to be carried out after 2026 on the basis of Census, should not be implemented. Owing to unavoidable reasons, if the number of seats on the basis of population is to increase, it shall be maintained at the present ratio of the constituencies between the States in the Assemblies and both Houses of Parliament fixed on the basis of the population of 1971."

It further says, "This august House also urges that States like Tamil Nadu should not be penalised for implementing socio-economic development programmes and welfare schemes over the past 50 years."



M.K. Stalin

"This august House urges the Union government not to implement the 'One Nation, One Election' policy as the theory is against the basis of democracy; impractical; and not enshrined in the Constitution of India."

Benefits:

Challenges and Concerns:

- **Cost Reduction:** Conducting all elections concurrently would save significant resources spent on separate state and national elections.
- **Single Election Season:** Simultaneous polls would streamline the electoral calendar, eliminating frequent disruptions due to elections in different states.
- **Policy Continuity:** Advocates argue that the Model Code of Conduct often hampers government initiatives and project announcements, which could be avoided with synchronized elections.
- **Complexity:** Coordinating elections at various levels of government — national, state, and local — poses logistical and administrative challenges.
- **Dominance of National Parties:** Critics suggest that simultaneous polls could favor nationally dominant parties over regional ones, potentially undermining federalism.
- **Government Instability:** If any government, whether at the state or national level, were to collapse before its term, it could lead to complicated scenarios and potential governance issues.

2. The Hindu Temple in Abu Dhabi is a Beacon of Decolonisation

Recent events of importance

- **Why in News:**
 - The construction of a Hindu temple in Abu Dhabi has garnered global attention, **being seen as more than just a ceremonial event or a diplomatic gesture.**
 - This significant development is indicative of the deepening relationship between India and the United Arab Emirates (UAE), reflecting mutual trust and a broader message that transcends religious and diplomatic boundaries.
- **Significance of BAPS Hindu Temple in Abu Dhabi**
 - **Cultural Significance of the Temple**
 - The BAPS temple holds cultural significance that **transcends religious boundaries.**
 - Its architecture, rituals, and symbolism **encapsulate the rich cultural memories of Hinduism, inviting a cross-cultural dialogue.**
 - The inclusion of intricate carvings, traditional art forms, and architectural details from various regions of India within the temple structure **serves as a testament to the diverse cultural heritage of the country.**
 - **Reimagining Multiculturalism**
 - Multiculturalism is often seen as a delicate balance between different communities, **but the Abu Dhabi temple reimagines it as an active engagement with cultural diversity.**
 - The temple becomes a **platform for cultural exchange, encouraging people of different backgrounds to appreciate and understand the values embedded in Hindu culture, fostering mutual respect.**
 - **The Message of Unity in Diversity**
 - The construction of the temple **echoes Prime Minister's vision of achieving the unity of opposites.**
 - In a world marked by religious and cultural tensions, **the temple stands as a symbol of unity amidst diversity, showcasing the ability of different cultures to coexist harmoniously.**
 - It **exemplifies the idea that multiculturalism is not just about tolerance but about embracing and celebrating differences.**
 - **A Representation of Cultural Diplomacy Beyond Borders**
 - The temple's presence in Abu Dhabi is **a testament to the enhanced relationship between India and the UAE.**
 - By providing a space for a Hindu temple, **the UAE acknowledges the importance of cultural diversity in the global landscape.**
 - It **signals a departure from the conventional understanding of diplomacy, moving beyond political alliances to emphasize cultural diplomacy as a powerful tool for fostering global harmony.**



- **Reflects Prime Minister's Mission**
 - **PM Modi's commitment to exploring Bharat's ability to achieve the unity of opposites** is exemplified through the temple.
 - His mission goes beyond religious or political boundaries and **extends to a broader cultural realm**.
 - **The temple reflects a strategic cultural diplomacy initiative**, positioning India as a torchbearer of multicultural values in a world grappling with identity conflicts.
- **Cultural Significance of Ram Temple Inauguration**
 - **Resolution of a Historical Conflict**
 - The inauguration of the Ram temple **follows a protracted historical conflict over the ownership of the Ayodhya site, marked by tensions between Hindus and Indian Muslims**.
 - The site had been a focal point of the majoritarianism versus minority rights debate for decades.
 - **The resolution of this conflict through the construction of the temple signifies a departure from religious discord** to a proactive engagement of the Indian state in **addressing cultural and historical grievances**.
 - **Shifting the Discourse from Religion to Culture**
 - The event **shifts the discourse from religious conflict to a more inclusive engagement** with culture.
 - It **represents a conscious effort to reinterpret the significance of the temple beyond religious boundaries**, emphasising the cultural heritage it represents.
 - By emphasising culture over religious differences, **the PM seeks to foster a more inclusive national identity that transcends religious affiliations**.
 - **Reconnection with History and Hindu Identity**
 - The construction of the Ram temple is a **symbolic reconnection with India's historical roots and a reassertion of Hindu identity**.
 - It is seen as a cultural revival that transcends the immediate religious context.
 - **PM's emphasis on India's historical legacy aims to instil a sense of pride in the nation's cultural heritage**, providing a narrative that goes beyond contemporary religious debates.
 - **Representation of Vasudhaiva Kutumbakam**
 - PM's mission to explore Bharat's ability to achieve the unity of opposites finds expression in the Ayodhya event.
 - It **represents an effort to embody the concept of Vasudhaiva Kutumbakam**, which translates to "the world is one family."
 - **The temple becomes a symbol of unity amidst diversity**, challenging the narrative of cultural and religious divisions within the country.
 - **Empowerment of Hindu Ideologies**
 - The inauguration of the Ram temple **has a broader impact on Hindu ideologues who, historically, may have been dependent on Orientalist categories** to engage in discussions about Indian culture.
 - **PM's proactive approach in presenting Hindu views globally enhances the morale and efforts of Hindu ideologues**, providing them with a platform to assert their cultural perspectives.
- **An Analysis of De-Westernization of Diplomacy Envisioned by the Prime Minister's Strategic Approach**
 - **Abandoning Western Paradigms**
 - **PM's outreach signals a conscious effort to move away from relying solely on Western paradigms** in understanding Arab and Islamic countries.
 - It challenges the notion that Western perspectives should be the basis for comprehending non-Western nations.
 - **This departure signifies a recognition that diverse cultures and historical contexts cannot be fully understood or addressed through a single Western lens**.
 - **Cultural Sensitivity in Diplomacy**
 - **The de-Westernization of diplomacy emphasises cultural sensitivity as a cornerstone of international relations**.
 - It **acknowledges that each nation has its unique history, values, and perspectives, which must be considered** in diplomatic engagements.
 - By engaging with nations on their own terms and respecting their cultural identities, **PM Modi seeks to foster genuine partnerships based on mutual understanding**.
 - **An Ideological Mission**
 - PM Modi's diplomatic strategy **goes beyond pragmatic alliances and economic cooperation**.
 - It **aligns with a broader ideological mission to challenge the dominance of Western ideas and narratives**.

- The emphasis is on evolving an alternative discourse in partnership with other post-colonial societies, showcasing a commitment to shaping a global narrative that is more inclusive and diverse.
- **Cultural Legacy as Soft Power**
 - India's rich cultural legacy becomes a potent tool in this de-Westernization process.
 - Instead of relying solely on economic resources, PM Modi recognises the strength of India's soft power, rooted in its philosophical and cultural heritage.
 - Initiatives like the construction of the Hindu temple in Abu Dhabi or engagements with Buddhist countries showcase the strategic use of soft power to build relationships and influence global narratives.
- **Challenging Western Hegemony**
 - The shift in diplomatic strategy challenges the historical Western hegemony that has influenced global geopolitics.
 - It questions the West's role in shaping the narratives of Arab and Islamic countries and seeks to redefine the contours of relationships.
 - By asserting an independent voice, PM Modi's approach challenges the West's presumed authority to define the norms and values that govern international relations.
- **Liberalisation Beyond Western Assistance**
 - The West's approach to helping the Islamic world liberalize itself should be scrutinised in this context.
 - Instead of relying on Western assistance, India, under PM Modi, takes the lead in fostering the liberalisation of non-Western societies on their own terms.
 - This challenges the historical exploitation of religious conflicts by the West to maintain its hegemony and prompts a revaluation of the global power dynamics.
- **Conclusion**
 - The inauguration of the Hindu temple in Abu Dhabi serves as a powerful symbol of cultural diplomacy, redefining multiculturalism, and challenging prevailing ideologies.
 - The Prime Minister's leadership reflects a departure from Western-centric views, fostering a global discourse that embraces diverse cultural perspectives and seeks a world free from hostilities.

3. Line of Actual Control (LAC): China Moves its Nationals into its Vacant 'Defence Villages' Along LAC

GS 2 (International Relations)

- **Why in News:** Chinese nationals have started occupying several of their model "Xiaokang" border defence villages across India's north-eastern borders which the country has been building along the LAC since 2019.
- **What is the Line of Actual Control (LAC)?**
 - The LAC is the demarcation that separates Indian-controlled territory from Chinese-controlled territory.
 - **The LAC is only a concept** not agreed upon by the two countries, neither delineated on a map or demarcated on the ground.
 - **India** considers the LAC to be 3,488 km long, while the **Chinese** consider it to be only around 2,000 km.
 - **It is divided into three sectors:** the eastern sector which spans Arunachal Pradesh and Sikkim, the middle sector in Uttarakhand and Himachal Pradesh, and the western sector in Ladakh.
 - **India's claim line** is the line seen in the official boundary marked on the maps as released by the Survey of India, including both Aksai Chin and Gilgit-Baltistan.
 - This means LAC is not the claim line for India.
 - **In China's case, LAC is the claim line except in the eastern sector**, where it claims the entire Arunachal Pradesh as South Tibet.
- **Disagreement over the LAC and Why these Claim Lines Controversial in Ladakh:**
 - India rejects the concept of LAC, as it is the line China has created.
 - The Chinese line was a disconnected series of points on a map that could be joined up in many ways.

China moves its nationals into its vacant 'defence villages' along LAC

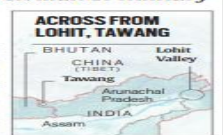
Villages a concern for Army; unclear whether residents civilian or military

AMRITA NAYAK DUTTA
NEW DELHI, FEBRUARY 14

CHINESE NATIONALS have started occupying several of their model "Xiaokang" border defence villages across India's north-eastern borders which the country has been building along the Line of Actual Control (LAC) since 2019. The Indian Express has learnt.

Senior officials familiar with the matter said the Chinese, in the last few months, have started occupying a couple of these villages built on its side of the LAC across from Lohit Valley and the Tawang sector of Arunachal Pradesh.

China has been constructing 628 such "well-off villages" along India's borders with the Tibet Autonomous Region, including along Ladakh and Arunachal Pradesh for over five years now. While the exact nature of



these villages is unclear, the dwellings are understood to be "dual-use infrastructure" — for both civil and military purposes — and seen as a Chinese assertion of its territorial claims along the LAC. They have thus remained a concern for the military. So far, the double-storey, large

CONTINUED ON PAGE 4



- **The line should omit gains from aggression in 1962** and therefore should be based on the actual position on September 8, 1962 before the Chinese attack.
- **This vagueness** of the Chinese definition left it opens for China to continue its creeping attempt to change facts on the ground by military force. **For example**, the clash in the Galwan valley between the Indian Army and China's PLA in 2020.
- **Aksai Chin in Ladakh province** of the princely state of J&K was **not part of British India**, although it was a part of the British Empire.
- Thus, the **eastern boundary was well defined in 1914** (when the **Shimla Agreement** on the McMahon Line was signed by British India) but in the west in Ladakh, it was not.
- These maps, as is officially used till date, formed the basis of dealings with China, eventually leading to the 1962 War.
- **Recent Developments at the LAC:**
 - In the last few months, the Chinese nationals have started occupying a couple of **vacant defence villages** built on its side of the LAC **across from Lohit Valley and the Tawang sector** of Arunachal Pradesh.
 - **China has been constructing 628 such "well-off villages"** along India's borders with the Tibet Autonomous Region, including along Ladakh and Arunachal Pradesh for over five years now.
 - While the exact nature of these villages is unclear, the dwellings are understood to be **"dual-use infrastructure"** - for both civil and military purposes, and seen as a **Chinese assertion of its territorial claims along the LAC**.
- **Infrastructure Development at the LAC:**
 - **The Chinese have consistently improved their existing infrastructure** (along the LAC) including improving their connectivity through passes, constructing roads and bridges and their model villages.
 - China has also been constructing infrastructure, including border villages, in Bhutanese territory.
 - In the last three to four years, **India has also stepped-up work on its border infrastructure** - this includes improving forward connectivity, constructing alternate routes to the LAC as well as connecting them.
 - Under the **Vibrant Villages programmes**, India plans to develop **663 border villages** into modern villages with all amenities in the first phase.
 - Of them, at least 17 along the borders with China in **Ladakh, Himachal Pradesh, Uttarakhand, Sikkim and Arunachal Pradesh**, have been selected for development as a pilot project under the programme.
 - Also, **three major highways** are at different stages of construction in Arunachal Pradesh: the Trans-Arunachal Highway; the Frontier Highway; and the East-West Industrial Corridor Highway.



4. [World Governments Summit 2024](#)

Recent events of importance

- **Why in News:**
 - Prime Minister Modi participated in the World Governments Summit in Dubai as Guest of Honour.
 - He also delivered the special keynote address on the theme of the Summit - **"Shaping the Future Governments"**.
- **World Governments Summit**
 - **About**
 - The World Government Summit is a global platform dedicated to shaping the future of government worldwide.
 - It is an **annual event held in Dubai, United Arab Emirates**.
 - Each year, the Summit sets the agenda for the next generation of governments with a focus on how they can harness innovation and technology to solve universal challenges facing humanity.
 - Since its inception in 2013, the Summit has championed the mission of shaping future governments and creating a better future for humanity.
 - **World Governments Summit Organization**

WORLD GOVERNMENTS SUMMIT IN ABU DHABI **World needs inclusive govts, clean, free of corruption: PM**

EXPRESS NEWS SERVICE
NEW DELHI, FEBRUARY 14

PRIME MINISTER Narendra Modi on Wednesday said that citizens should neither feel the absence of a government and nor there should be pressure from the government. Speaking at the World Governments Summit in Abu Dhabi, Modi said, "I believe that people should neither feel the absence of a government, but at the same time, nor should there be pressure from the government. He said while stressing the matrix of 'minimum government, maximum governance'.

"In fact, believe that the government should interfere as little as possible in the lives of people," he said. Modi said that as Capital chief minister and as Prime Minister he has spent 25 years in government and his principle has been 'minimum government, maximum governance'.

"People have trust in the intent and commitment of the Indian government. This was possible only because we prioritised public sentiments," he said. The world today needs governments that are inclusive, take everyone along, and are clean and free of corruption, he asserted.

"On one hand the world is progressing towards modernity, on the other, the challenges from earlier centuries are intensifying," he said. Today, technology is proving to be a key disruptor be it positive or negative, he said.

"Terrorism in various forms is bringing new challenges before humanity every day. Today, climate challenges are becoming widespread with time. On the one hand, there are domestic concerns, on the other hand, the international system seems in disarray," Modi said.

Hailing UAE President Sheikh Mohammed Bin Zayed, Modi said he is a leader with vision and resolve. The World Governments Summit is being held on the theme of "Shaping Future Governments" with the conversation involving governments, international organisations, thought leaders, and private sector leaders from around the globe.

PM Narendra Modi at the summit on Wednesday. PTI



- The World Governments Summit Organization is a global, neutral, non-profit organization dedicated to shaping the future of governments.
- **Headquarter:** Dubai, United Arab Emirates
- **2024 Summit:** Theme - 'Shaping Future Governments'
- **Key highlights of the speech**
 - **Minimum Government, Maximum Governance**
 - Prime Minister shared his thoughts on the changing nature of governance.
 - He highlighted India's transformative reforms based on the mantra of "Minimum Government, Maximum Governance".
 - **Human-centric approach to governance**
 - Sharing Indian experience on how the country **had leveraged digital technology to further welfare, inclusivity and sustainability, he called for a human-centric approach to governance.**
 - He also underlined India's focus on people's participation, last-mile-delivery and women-led development to achieve an inclusive society.
 - **Need for collaboration in inter-connected nature of the world**
 - PM emphasised that given the inter-connected nature of the world, governments must collaborate and learn from each other to address future challenges.
 - **Model of governance**
 - He highlighted that it was the need of the hour for governance to be Inclusive, Tech- smart, Clean and Transparent, and Green.
 - In this context, he further emphasised that governments must prioritise – Ease of Living, Ease of Justice, Ease of Mobility, Ease of Innovation and Ease of Doing Business in their approach to public service.
 - **India's commitment to Climate Change action**
 - Elaborating on India's steadfast commitment to Climate Change action, he called for people to join **Mission LIFE (Lifestyle for Environment)** to create a sustainable world.
 - **Leadership role played by India**
 - Prime Minister elaborated on the leadership role played by India as the chair of G-20 last year, on a wide range of issues and challenges facing the world.
 - In this context, he highlighted the efforts made by India to bring development concerns facing the Global South to the centre-stage of global discourse.
 - Calling for reform of multilateral institutions, he pushed for **greater voice for the Global South in its decision making.**
 - India, he stressed, will continue to contribute to global progress based on its role as a **"Vishwa Bandhu"**

5. INSAT-3DS

GS 3 (Science and Tech)

- **Why in News:**
 - **Indian Space Research Organisation (ISRO)** will launch meteorological satellite **INSAT-3DS** with the **GSLV-F14/INSAT-3DS mission** set for lift from SDSC-SHAR, Sriharikota.
 - This will be ISRO's second launch in the current calendar after the successful launch of **XPoSAT** from Sriharikota on January 1 in **PSLV's 60th flight**.
- **About the Mission**
 - In its 16th mission, the GSLV aims to deploy the INSAT-3DS meteorological satellite into the **Geosynchronous Transfer Orbit (GTO)**
 - Subsequent orbit-raising manoeuvres will ensure the satellite is positioned in a geo-stationary orbit.
 - **Mission objectives:** The mission's primary objectives are to ;
 - monitor Earth's surface
 - carry out oceanic observations and its environment in various spectral channels of meteorological importance

ISRO to launch INSAT-3DS on Feb 17, will improve forecasts

EXPRESS NEWS SERVICE
BENGALURU, FEBRUARY 14

WEATHERMEN AND scientists tracking extreme climate affecting the country will soon be facilitated with improved satellite data and high resolution images of the Earth obtained from the soon-to-be launched INSAT-3DS. The Indian Space Research Organisation (ISRO) will launch the INSAT-3DS from Sriharikota on February 17.

This new facility, weighing 2,274kgs and funded by the Ministry of Earth Sciences, will enable the development of newer satellite products that can be deployed while tracking cyclones, monsoon systems, thun-

derstorms and other natural disasters. INSAT-3DS shall further the observations of atmosphere, land and oceans.

The INSAT-3DS is a continuation to the Third Generation Meteorological Satellite series from the geostationary orbit. Presently, meteorologists make extensive use of data generated by satellites like the INSAT-3D and INSAT-3DR (launched in September, 2016, still operational).

Since 2003, the India Meteorological Department (IMD) has been using INSAT data for its operational meteorology purposes. The advent of satellite-based products brought significant improvements in the forecast accuracy, monitoring of

atmosphere and ocean parameters and overall enhanced the meteorological services leading to reduction in loss to property, life and livelihood.

In all, INSAT-3DS comprises four payloads -- an Imager, a Sounder, a Data Relay Transponder and a Satellite Aided Search and Rescue Transponder. The multi-spectral imager will generate images of the Earth across six wavelength bands aiding visualisation of colour-dependent atmospheric parameters like water vapour (humidity).

The sounder will contribute in generating vertical profiles of the atmosphere and provide information like temperature and humidity.

- provide the vertical profile of various meteorological parameters of the atmosphere to provide the data collection and data dissemination capabilities from the Data Collection Platforms
- to provide satellite aided search and rescue services
- **INSAT-3DS Satellite**
 - **INSAT-3DS Satellite** is a follow-on mission of **Third Generation Meteorological Satellite** from geostationary orbit.
 - It is designed for **enhanced meteorological** observations and monitoring of land and ocean surfaces for **weather forecasting and disaster warning**.
 - The satellite will augment the **Meteorological services** along with the presently operational **INSAT-3D and INSAT-3DR satellites**.
- **About GSLV**
 - GSLV is a **three-stage 51.7 m long launch vehicle** with a liftoff mass of 420 tonnes.
 - **First stage (GS1)** comprises a solid propellant (S139) motor having a 139-tonne propellant and four earth-storable propellant stages (L40) strap-ons, each carrying 40 tonnes of liquid propellant.
 - **Second stage (GS2)** is also an earth-storable propellant stage loaded with 40-ton propellant.
 - **Third stage (GS3)** is a cryogenic stage with a 15-ton propellant loading of liquid oxygen (LOX) and liquid hydrogen (LH2).
 - During the atmospheric regime, the satellite is protected by Ogive payload fairing.
 - GSLV can be used to launch a variety of spacecraft capable of performing communications, navigation, earth resource surveys, and any other proprietary mission.

6. India Faces WTO Pressure on Farm Subsidies

GS 3 (Agriculture)

- **Why in News:**
 - The Government of India's headroom to accede to the protesting farmers demand for a legal guarantee of minimum support price (MSP) is somewhat limited.
 - This is because India is under pressure on its farm subsidies at the **World Trade Organisation (WTO)**, with the latest attack by an influential group of 19 agri exporting countries.
- **Why are India's Agri Subsidy Programmes Facing Challenges in the WTO?**
 - While India's per farmer subsidy is abysmally low compared to what countries such as the US offer, the WTO rules do not consider subsidies on a per-farmer basis, thereby being heavily loaded against developing countries.
 - **For example**, India's total rice production in 2019-20 stood at \$46.07 billion and it gave subsidies worth \$6.31 billion (or 13.7%), which is above the 10% limit.
 - However, India's subsidy to farmers comes in at **\$300 per farmer**, compared to \$40,000 per farmer in the US.
 - Notably, India cannot be dragged into a dispute over its subsidies as it is protected by the **'Peace Clause'** that was agreed by the WTO members during the **Bali ministerial in 2013**.
 - But due to some of the provisions in the clause being ambiguous, India is open to face disputes.
 - This means, if new schemes are to be implemented, then for those products **India has to comply with the 10% subsidy ceiling** and they will not be protected under the 'Peace Clause'.
- **Attack on India's Agri Subsidies by Influential Agri Exporting Countries:**
 - **The Cairns Group** - comprising Australia, Brazil and Canada among others members - have claimed that **India's public stockholding (PSH) programme** is highly subsidised.
 - They claim that the farm support that India gives is **"distorting" global food prices and "hurting" food security of other countries**.
 - Last year, they circulated a **detailed proposal to slash trade-distorting farm support** in WTO members, halving the total global entitlement/ subsidies.

India faces WTO pressure on farm subsidies amid protests for minimum support price

RAVI DUTT AMISHRA
NEW DELHI, FEBRUARY 14

THE GOVERNMENT'S headroom to accede to the protesting farmers demand for a legal guarantee of minimum support price (MSP) is somewhat limited given India is under pressure on its farm subsidies at the World Trade Organisation (WTO), with the latest attack by an influential group of 19 agri exporting countries.

To obtain greater flexibility to offer farm support, India is in the process of pushing for a permanent solution at the upcoming inter-ministerial summit in Abu Dhabi from February 26 to 28 that a deadlock over the politically charged issues between developed and developing countries is unlikely to see a resolution.

The Cairns Group - comprising Australia, Brazil and Canada among others members - have claimed that India's public stockholding (PSH) programme is highly subsidised and the farm support that India gives is "distorting" global food prices and "hurting" food security of other countries.

Last year, they circulated a detailed proposal to slash trade-distorting farm support in WTO members, halving the total global entitlement/ subsidies.

members, halving the total global entitlement to subsidies. This triggered tensions among developing nations including India. While India's per farmer subsidy is abysmally low compared to what countries such as the US offer, the WTO rules do not consider subsidies on a per-farmer basis, thereby being heavily loaded against developing countries.

Albeit Das, expert on international trade and the former head Centre for WTO Studies said that the Cairns Group is trying to get India to "discourage" the MSP scheme or "reduce its scope" and that is the reason India is fighting to get better legal protection for its MSP programme.

Notably, India cannot be dragged into a dispute over its subsidies as it is protected by the 'Peace Clause' that was agreed by the WTO members during the Bali ministerial in 2013. But due to some of the provisions in the clause being ambiguous, India is open to face disputes.

WTO rules do not restrict us from providing high MSP because of the peace clause there is no restriction on what should be the level of MSP or the level of procurement. But there is no 100% legal certainty. We are questioned at WTO and that is why we are trying to seek a permanent solution," Das said. He explained that farmers groups have stated that agri exports should be taken out of WTO but that approach could pose problems and would restrict India and other developing nations from disciplining the subsidies being given by the developed world.

Our per farmer subsidy is abysmally low compared to what the US gives, that the WTO rules, unfortunately, are not on the basis of per farmer subsidy. If new schemes are to be implemented, then for those products we will have to comply with the 10% subsidy ceiling and they will not be protected under the 'Peace Clause', he added. This means that if the government were to offer the peace clause that gives India protection from legal disputes at the WTO.

As part of its demand for a permanent solution at the upcoming ministerial meeting in Abu Dhabi, India has not only pushed for measures to amend the formula to calculate the food subsidy cap but also to include programmes implemented after 2013 under the ambit of 'Peace Clause'.

FULL REPORT ON
www.indianexpress.com

- This triggered tensions among developing nations including India.
- This means, the Cairns Group is **trying to get India to “dismantle” the MSP scheme** or “reduce its scope” and that is the reason India is fighting to get better legal protection for its MSP programme.
- **Challenges Ahead for the Government of India:**
 - To attain greater flexibility to offer farm support, **India is in the process of pushing for a permanent solution** at the upcoming **inter-ministerial summit at Abu Dhabi**.
 - But a deadlock over the politically charged issues between developed and developing countries is unlikely to see a resolution.
 - **Farmers groups in India demand that agriculture should be taken out of WTO.**
 - But that approach could pose problems and would restrict India and other developing nations from disciplining the subsidies being given by the developed world.
 - **The government will be in a tight spot** because on one hand there is peer pressure at the WTO and on the other hand there is a MSP demand from the farmers.
 - It is not just Punjab farmers but other farmers are also seeking better MSP support.
 - Moreover, if Punjab and Haryana farmers start moving away from agriculture, it is a **threat to the country's food security**.
- **Way Ahead for India:**
 - Though India is not facing a dispute on the subsidy issue at WTO because the **Dispute Settlement Body (DSB) is not functional**, questions will be regularly asked by member countries over breach of subsidy limits.
 - **Therefore, India has to push** not only for the measures to amend the formula to calculate the food subsidy cap (in the WTO) but also to include programmes implemented after 2013 under the ambit of ‘Peace Clause’.

7. 16th Finance Commission (XVI-FC) GS 3 (Economy)

- **Why in News:** The 16th Finance Commission (XVI-FC) held its first meeting under the Chairmanship of Arvind Panagariya here.
- **Terms of Reference for the 16th Finance Commission-**
 - During the meeting, the commission discussed its Terms of Reference-
 - **Distribution of Net Proceeds:** Addressing the division of net tax proceeds between the Union and States, along with the allocation among States.
 - **Principles for Grants-in-Aid:** Defining principles governing grants-in-aid of State revenues from the Consolidated Fund of India.
 - **Resource Augmentation:** Identifying measures to supplement the Consolidated Fund of a State for empowering Panchayats and Municipalities, aligning with State Finance Commission recommendations.
 - **Disaster Management Financing:** Reviewing current financing arrangements for Disaster Management initiatives, proposing recommendations based on the Disaster Management Act, 2005.
 - The panel will make its recommendations available by October 31, 2025, covering an award period of five years commencing on April 1, 2026.
- **Background**
 - Finance Commission is constitutional bodies set up under **Article 280 of the Constitution** every five years to make recommendations on the distribution of financial resources between the Union and the states.
 - It is a quasi-judicial body.
 - It is constituted by the **President every fifth year or even earlier**.
 - It is required to make **recommendations to the President** on the following matters:

Panagariya chairs first meeting of 16th Finance Commission

PRESS TRUST OF INDIA
NEW DELHI, FEBRUARY 14

THE 16TH Finance Commission (XVI-FC) on Wednesday held its first meeting under the Chairmanship of Arvind Panagariya.

During the meeting, the commission discussed its Terms of Reference, as per the order by the President of India and notified by the Ministry of Finance on December 31, 2023, an official statement said.

The distribution between the Union and states of the net proceeds of taxes, which are to be, or may be, divided between them under Chapter I, Part XII of the Constitution and the allocation between states of the respective shares of such pro-



The 16th FC discussed its Terms of Reference, as per the order made by the President of India. @FinMinIndia

ceeds, are among the Terms of Reference (ToR) approved by the Cabinet.

Another ToR is about the principles governing the grants-in-aid of the revenues of states out of the Consolidated Fund of India and the sums to be paid to

states by way of grants-in-aid of their revenues.

It will also suggest measures needed to augment the Consolidated Fund of a State to supplement the resources of panchayats and municipalities, as per the ToR.

- The **distribution of the net proceeds of taxes to be shared between the Centre and the states**, and the allocation between the states, the respective shares of such proceeds. The principles which should govern the grants-in-aid to the states by the Centre (i.e., out of the Consolidated Fund of India).
- The **measures needed to augment the consolidated fund of a state to supplement the resources of the panchayats and the municipalities in the state on the basis of the recommendations made by the State Finance Commission.**
- Any other matter referred to it by the President in the interests of sound finance.



16th Feb, 2024

1. Supreme Court strikes down electoral bonds scheme – I

GS 2 (Governance)

• Why in News:

- A five-judge Constitution Bench of the Supreme Court unanimously struck down the **Centre's Electoral Bond Scheme (EBS) for being unconstitutional**.
 - It underscored that the scheme violates the right to information under Article 19(1)(a) of the Constitution.
- Along with the EBS, the Apex Court also **struck down several amendments** that the government made in key laws to facilitate corporate donations to political parties.
 - The amendments were made through The Finance Act, 2016, and The Finance Act, 2017, before the EBS was introduced in January 2018.

• Electoral bonds (EBs)

○ About

- Electoral bonds are a financial instrument introduced by the Government of India in 2018 to facilitate anonymous political donations.
- An electoral bond is a bearer instrument, like a promissory note, that is payable to the bearer on demand to donate their contributions to political parties.

○ Who are eligible to receive electoral bonds?

- There are certain criteria that political parties must meet to be eligible to receive electoral bonds. These are:
 - **Recognition:** The political party must be **registered under Section 29A** of the Representation of the People Act, 1951.
 - **Recent Election Performance:** The party must have secured **at least 1%** of the votes polled in the most recent Lok Sabha or State Assembly election.

○ Available denominations

- The Government of India has specified various denominations for electoral bonds, ranging from Rs. 1,000 to Rs. 1 crore.

○ Authorized bank: SBI is the only bank authorised to sell these bonds.

○ Working

- A citizen of India or a body incorporated in India is eligible to purchase the bond.
- EBs are issued/purchased for any value, in multiples of Rs 1,000, Rs 10,000, Rs 1,00,000, Rs 10,00,000 and Rs 1,00,00,000 from the specified branches of SBI.
- The bonds shall be available for purchase for a period of 10 days each in the months of January, April, July and October as may be specified by the Central Government.
- The bond can be encashed by an eligible political party only through a designated bank account with the authorised bank.

• Key features of electoral bonds

○ Anonymity:

- Electoral bonds provide anonymity to the donor by not revealing the identity of the donor to the public or the recipient political party.

○ Purchase and Redemption:

- Electoral bonds can be purchased from authorized banks using legal tender.
- They are available in fixed denominations, and the minimum value of an electoral bond is set by the government.

○ Validity:

- Electoral bonds are valid for a limited period, typically 15 days, during which they can be used for making donations to eligible political parties.

○ Transparency:

SC strikes down electoral bonds scheme, calls it unconstitutional

5-judge Bench terms the mode of funding 'manifestly arbitrary'

It says voters' right to information about political funding is violated

Scheme authorised influence of corporates in electoral process

Archives: Rajasheel

NEW DELHI

It is a landmark unanimous judgment, the Supreme Court on Thursday struck down as "unconstitutional and manifestly arbitrary" the electoral bonds scheme, which provides blanket anonymity to political donors, as well as critical legal amendments allowing rich corporations to make unlimited political donations.

A five-judge Bench headed by Chief Justice of India D.Y. Chandrachud held that the scheme, and preceding amendments made to the Representation of the People Act, the Companies Act, and the Income Tax Act, violated the voters' right to information about political funding under Article 19(1)(a) of the Constitution.

The lead opinion authored by Chief Justice Chandrachud said that the absolute non-disclosure of the source of political funding through electoral bonds promoted corruption, and a culture of *quid pro quo* with the ruling party to introduce a policy change or for bagging a licence. The

major takeaways from the Supreme Court verdict striking down the electoral bonds scheme are:

• **Repeal of electoral bonds to be enacted.**

• **SBI to submit full details of bonds purchased by donors and subsequently encashed by political parties until April 12, 2019 to the Election Commission of India by March 4.**

• **EC to publish the entire information given by SBI on its website by March 12.**

Money-politics nexus

The judgment belied the cut in the deep nexus between money and politics, saying that "contributions

scheme and the amendments authorised "unrestrained influence of corporates in the electoral process", it said.

The judgment belied the cut in the deep nexus between money and politics, saying that "contributions

made by companies are purely business transactions made with the intent of securing benefits in return". It noted that the scheme allowed the inflow of "huge contributions" by multinational corporations with major business stakes in the country, overawing or even censoring the re-

latively small financial contributions of people who believe in the ideologies of a political party without expecting any substantial favours in return.

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- While the names of donors remain anonymous, the political parties receiving the electoral bond donations are required to disclose details of the donations in their financial statements to the Election Commission of India.
- **Proportionality test and Electoral Bond Scheme (EBS)**
 - For the scheme to be considered legitimate, the government scheme would have to essentially satisfy three aspects.
 - This was based on the court's proportionality test, laid down in its 2017 verdict in the **KS Puttaswamy case over the right to privacy**.
 - **First**, the existence of a law.
 - The electoral bond key was brought through the Finance Act which introduced the series of amendments in the Income Tax Act and the Representation of People's Act.
 - **Second**, the law must demonstrate a legitimate state interest, which has nexus to the object sought to be achieved by the Parliament.
 - As per the govt, the objectives of EBS range from curbing black money to protecting the privacy of the donors
 - **The third** is whether the encroachment on fundamental rights is proportional to the objection sought to be achieved.
 - As per the apex court, in EBS, the state did not adopt the least restrictive method.
 - As an example of the least restrictive methods, the court cited the ₹20,000 cap on anonymous donations.
 - Hence, the apex court held that an infringement of the right to information is not proportionally justified to curb black money in electoral financing.
- **News Summary**
 - Prioritising voters' right to information regarding political parties' sources of funding, the Supreme Court struck down the Electoral Bonds Scheme (EBS).
 - Petitions were filed by the Communist Party of India (Marxist), and NGOs Common Cause and ADR.
 - The court also struck down the amendments made to key laws on electoral finance which were introduced in the lead up to the introduction of EBS.
- **Key highlights of the judgement**
 - **EBS violates voters' right to information**
 - The court held that information on the funding of political parties is essential for voting.
 - Economic inequality leads to political inequality because money is closely tied to politics.
 - Having more money provides better access to lawmakers and raises the potential for quid pro quo or mutually beneficial deals, like favourable policy changes.
 - Therefore, the scheme violates the right to information under Article 19(1)(a), which guarantees the freedom of speech and expression.
 - **Restrictions are disproportionate to the stated goal of curbing circulation of black money**
 - The court held that the RTI can only be restricted based on Article 19(2), which speaks of the reasonable restrictions to freedom of speech and expression.
 - It does not include curbing black money as a restriction.
 - Even assuming curbing black money is a legitimate purpose, it is not proportional to the restrictions posed by this scheme.
 - **Right to donor privacy is not absolute**
 - The court considered whether the right to donor privacy includes information about a citizen's political affiliation.
 - If yes, is a financial contribution to a political party an aspect of political information?
 - In the **Puttaswamy judgment**, the court said that the right to informational privacy includes political affiliation
 - Forming political beliefs is the first stage of political expression, and political expression cannot be expressed freely without the privacy of political affiliation.
 - Information can be used by the state to suppress dissent and discriminate by denying employment.
 - The court highlighted two main reasons for financial contributions to political parties: support and quid pro quo.
 - It rejected the notion of allowing corporate donations to obscure the motives behind contributions from other groups.
 - The court affirmed the right to informational privacy for political contributions, regardless of corporate involvement.

- However, it clarified **that privacy does not cover contributions aimed at influencing policies, only genuine political support.**
 - Hence, the apex court was of the view that the right to donor privacy is not absolute.
- **Unlimited political contributions by companies is unconstitutional**
 - The **court said this cannot be permitted.** The ability of companies to influence the political process through contributions is much higher compared to individuals.
 - Contributions made by companies are purely business transactions made with the intent of securing benefits in return.
- **Existing system before the introduction of EBS**
 - **Situation before The Finance Act 2016, and The Finance Act 2017**
 - Before the two Finance Acts were passed, political parties were required to;
 - declare all contributions more than Rs 20,000 with no exceptions, and
 - maintain a record of all donations more than Rs 20,000 for purposes of taxation.
 - Also, **there was a cap on the amount of money that a company could donate to a political party in a financial year.**
 - Companies could contribute a maximum of 7.5% of their average net profits from the preceding three years.
 - **Amendments introduced through The Finance Act, 2017**
 - The Finance Act of 2017 amended several key laws including the Representation of the People Act, 1951, the Income-tax Act, 1961, and the Companies Act, 2013.
 - These changes introduced electoral bonds, which significantly eased restrictions on political party funding.
 - Electoral bonds removed donation limits for companies and eliminated the need to declare and maintain records of donations made through them.
- **The Verdict of the Supreme Court**
 - Recent judgment by the Supreme Court has restored the status quo that existed before the Finance Act, 2017 was passed, in all of these statutes.
 - **The Representation of the People Act, 1951**
 - Section 29C of the Act requires political parties to prepare a report detailing the donations received by them in a financial year.
 - Parties are required to declare all contributions higher than Rs 20,000 in this report, and specify whether they were received from individual persons or from companies.
 - **Finance Act 2017 and amendments in RPA 1951**
 - The Finance Act, 2017, amended the RP Act to include an exception to Section 29C.
 - It said that the requirement to declare all donations in excess of Rs 20,000 would not apply to donations received through Electoral Bonds.
 - **SC Judgement and RPA 1951**
 - The Supreme Court struck down the amendment.
 - It observed that the original requirement to disclose contributions of more than Rs 20,000 did an effective job of balancing voters' right to information with the right to privacy of donors.
 - Donations below this threshold were far less likely to influence political decisions
 - **The Companies Act, 2013**
 - Section 182(1) of the act placed a cap on the amount of money a company could donate in a single financial year, limiting it to 7.5% of the company's average net profits during the previous three financial years.
 - Section 182(3) required a company to disclose any amount contributed to any political party along with the particulars of the amount donated and the name of the receiving party.
 - **Finance act 2017 and the Companies Act**
 - This section was amended to **remove the cap on the amount of money** a company could donate to a political party.
 - Also, only the total amount contributed had to be disclosed — and the company would no longer be required to declare which political party it had sent a donation to, nor the specific amount.
 - **SC Judgement and Companies Act 2013**
 - The court struck down this amendment.
 - It observed that “permitting unlimited corporate contributions authorises unrestrained influence of companies in the electoral process”.
 - **The Income-tax Act, 1961**

- Section 13A(b) of The Income-tax Act says that a political party shall not include voluntary contributions as part of its total income.
- However, it is required to maintain a record of all contributions received that are above Rs 20,000.
- This record must include the name and address of the person who has made the donation.
- **Finance Act 2017 and Income Tax act**
 - The Act amended this section to include the words “other than contribution by way of Electoral Bond”.
 - Also, a new Section 13A(d) was added, which required that all donations exceeding Rs 2,000 must be given through certain methods, which included Electoral Bonds.
- **SC Judgement and Income Tax Act**
 - The court held that exempting political parties from maintaining a record of donations received through Electoral Bonds would violate the right to information of voters under Article 19(1)(a) of the Constitution.
 - The court struck down both the amendment to Section 13A(b), and the new Section 13A(d).
- **Directions issued by the court**
 - **Direction to SBI**
 - The SBI has been ordered to;
 - immediately stop the issuance of any further electoral bonds and
 - Furnish details of such bonds purchased by political parties since April 12, 2019, to the ECI by March 6.
 - Such details must include the date of purchase of each bond, the name of the purchaser of the bond and the denomination of the bond purchased.
 - **Directions to Election Commission of India**
 - The ECI shall subsequently publish all such information shared by the SBI on its official website by 13 March 2024.
 - **Direction towards return of electoral bonds**
 - Electoral bonds that are within the validity period of fifteen days but have not yet been encashed by the political party will have to be returned following which the issuing bank will refund the amount to the purchaser's account
- **Analysis of the recent verdict**
 - The Supreme Court has set a higher standard for the state to justify encroaching on a fundamental right, even when its action is perceived to further a competing right.
 - It ruled that the **state must demonstrate that its action is the "least restrictive" and that no other "equally effective" methods exist to achieve its objective.**
 - The judicial approach in balancing two fundamental rights has largely been done by attaching significance to one right over the other.
 - The court has also, in several cases framed this debate by placing public interest over individual fundamental rights which gave the state an upper hand.
 - For example, in **2018, the Supreme Court had restricted the right to protest around Delhi's Jantar Mantar to give effect to the right to a peaceful residence and the state's power to regulate such activities.**

2. India has rejected demand for data exclusivity in drug development in FTA talks

GS 3 (Economy)

- **Why in News:** The rejection of the European Free Trade Association (EFTA) bloc's demand for data exclusivity provision underscores India's commitment to its thriving generic drug industry.
- **Understanding Data Exclusivity**
 - **What Is Data Exclusivity?**
 - Data exclusivity protects the **clinical trial data** of a pharmaceutical company for a specific drug.
 - During the exclusivity period, generic competitors cannot rely on the originator's data to seek regulatory approval for equivalent drugs.
 - **TRIPS and Beyond:**

'India has rejected demand for data exclusivity in drug development in FTA talks'

Jacob Koshly
NEW DELHI

India has rejected the demand for 'data exclusivity', as part of ongoing discussions with the European Free Trade Association (EFTA) towards a free trade agreement, Suniti Barlow, Secretary, Department of Commerce, said on the sidelines of a press briefing on Thursday.

Data exclusivity pertains to a clause in the draft agreement that puts a minimum six-year embargo on clinical trial data generated during the testing and development of a drug. Thus, manufacturers interested in making a copycat product would have to generate such data on their own, which is an expensive proposition, or wait out that period before applying to

register and sell their version in India. This could also apply to drugs that are not patented in India. India's generic drug industry has over the years made affordable versions of expensive drugs and become a global supplier itself, and such a clause could hamper the industry.

Demands for data exclusivity have cropped up since 2008 from the European Union and the EFTA – Switzerland, Norway, Iceland, Lichtenstein – as part of trade negotiations with India, but these have been consistently rejected. However, as *The Hindu* reported on Tuesday, a leaked draft of the Trade and Economic Partnership Agreement (TEPA), available on the website bilateral-s.org, an organisation that tracks international free

trade agreements, suggested that this clause was present in the negotiating text even as India and the EFTA indicated that negotiations were at an 'advanced stage'. "We rejected their demand. We are with our generic industry... There is no fear for any generics industry in India..." Mr. Barlow said. "We welcome the Ministry's strong stand against the inclusion of data exclusivity in its trade talks with EFTA," Dr. Farhat Nantoo, Executive Director, Medicines Sans Frontiers (MSF) South Asia, said in a statement. The MSF had earlier this week written to Prime Minister Narendra Modi on the potential harm from India accepting data exclusivity provisions. (With inputs from Vikas Dhoos)

- The Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement sets the baseline for intellectual property protection.
- India's laws do not mandate data exclusivity, allowing flexibility in balancing innovation and accessibility.
- **Reasons for India's Rejection of Data Exclusivity**
 - **Protecting the Generic Industry:**
 - Commerce Secretary **Sunil Barthwal** emphasized India's unwavering support for its generic drug industry.
 - Rejecting EFTA's demand, India stands by its commitment to affordable medicines.
 - **FTA Negotiations:**
 - India is concurrently negotiating FTAs with the UK and the EU.
 - Both partners seek concessions beyond TRIPS commitments, but India remains steadfast in safeguarding its generic industry.
- **Implications**
 - **Global Pharmaceutical Landscape**
 - India's rejection sends a clear message: generic drug manufacturers matter.
 - The country's role as the largest supplier of generics remains pivotal.
 - **Affordable Healthcare**
 - Access to affordable medicines, including life-saving treatments like HIV drugs, hinges on India's thriving generic industry.
- **About Free Trade Agreement:**
 - It is a **pact between two or more nations to reduce barriers** to imports and exports among them.
 - Under a free trade policy, goods and services can be bought and sold across international borders **with little or no government tariffs, quotas, subsidies, or prohibitions** to inhibit their exchange.
 - The concept of free trade is the **opposite of trade protectionism or economic isolationism**.

3. Unrest in Ladakh for sixth schedule status

Recent events of importance

- **Why in News:** Thousands of Ladakh residents in Leh are protesting for Ladakh's full Statehood and inclusion in the Sixth Schedule.
- **Formation of Ladakh as a Union Territory (UT):**
 - In August 2019, the abrogation of Article 370 stripped Jammu and Kashmir of its special status. As a consequence, Ladakh was carved out as a separate Union Territory, distinct from Jammu and Kashmir.
 - Unlike Jammu and Kashmir, which retained a legislature, Ladakh became a UT without one. This change left Ladakhis concerned about their identity, resources, and bureaucratic control.
- **Initial Optimism and Subsequent Concerns:**
 - Initially, there was optimism among Ladakhis. Religious minorities in the region had long supported the demand for UT status, citing discrimination by Kashmir-centric parties.
 - However, Locals are worried that the influx of non-locals and industrialists would alter the region's demography, leading to alienation and loss of distinct identity.
- **The Demands**

What is behind Ladakh's unrest?

Why did Ladakhis initially support the creation of a UT and what led to the subsequent caution and anger? How has the reorganisation impacted the demography, ecology, and identity of Ladakh? What are the demands put forth by LAR and KULN? How have unemployment and economic disinvestment fuelled the protest?

EXPLANER

Initials

Why did Ladakhis support the creation of a UT?

Ladakhis were initially supportive of the creation of a Union Territory (UT) for Ladakh, as it was seen as a step towards self-governance and protection of their unique identity and resources. The region had long been a part of Jammu and Kashmir, and the abrogation of Article 370 in August 2019 left them feeling uncertain about their future.

Why is there unrest in Ladakh?

The formation of Ladakh as a UT without a legislature has led to significant concerns among the local population. They feel that their identity, culture, and resources are being threatened by the influx of non-locals and industrialists. The lack of a local legislative body has also led to a sense of disempowerment and frustration.

What are the demands of Ladakhis?

Ladakhis are demanding full statehood for their region, which would give them the right to elect their own representatives to the state legislature. They are also demanding the inclusion of Ladakh in the Sixth Schedule of the Indian Constitution, which provides for greater autonomy to tribal areas.

How has the reorganisation impacted the demography, ecology, and identity of Ladakh?

The reorganisation of Jammu and Kashmir has led to a significant influx of non-locals and industrialists into Ladakh. This has led to a rapid change in the region's demography and has threatened its unique ecology and identity. The local population is concerned that their way of life will be lost.

What are the demands put forth by LAR and KULN?

The Ladakh Autonomous Region Development Council (LARDC) and the Ladakh Union Council (LUC) are the main organizations representing the Ladakhi people. They are demanding full statehood for Ladakh and the inclusion of the region in the Sixth Schedule of the Indian Constitution.

- **Full Statehood for Ladakh:** Ladakh is seek full statehood, allowing them greater autonomy and decision-making power within their region. Statehood would empower Ladakh to address its unique challenges effectively.
- **Inclusion in the Sixth Schedule:** The Sixth Schedule of the Indian Constitution provides special provisions for tribal areas. They demand a **Bodoland-type power** arrangement that protects the rights of indigenous people over their land with legislative subjects that are exclusive to local governments without interference from Central Laws.
- **Job Reservations for Locals:** The influx of outsiders poses a threat to local employment opportunities. Ladakh is demand job reservations to protect their livelihoods.
- **Separate Parliamentary Seats for Leh and Kargil:** Ladakh comprises two distinct districts: Leh and Kargil. Each district deserves representation in the Indian Parliament. Separate parliamentary seats would allow Ladakh is to voice their concerns effectively.
- **Centre's Response**
 - The National Commission for Scheduled Tribes (NCST) has recommended that the Union Territory (UT) of Ladakh be included in the Sixth Schedule of the Constitution.
 - The Union Minister of State for Home Affairs, Nityanand Rai, is scheduled to meet representatives from the region on February 19 in New Delhi.
- **The Sixth Schedule:**
 - The Sixth Schedule of the **Constitution of India** consists of provisions for the administration of tribal areas in north eastern states of **Assam, Meghalaya, Mizoram and Tripura**, according to **Article 244 of the Constitution**.
 - Passed by the Constituent Assembly in 1949, the Sixth Schedule seeks to safeguard the rights of **tribal population** through the formation of **Autonomous District Councils (ADC)**.
 - ADCs are bodies representing a district to which the Constitution has given varying degrees of autonomy within **the state legislature**.
 - Along with protecting the tribal population, the Schedule provides autonomy to the communities through creation of **autonomous development councils (ADCs)** which are empowered to frame laws on land, public health, agriculture and others

4. Kosovo facing delay in Schengen approval

GS 2 (International Relations)

- **Why in News:** Kosovo recently gained Schengen visa waiver, becoming the last Western Balkan non-EU nation to do so.
- **What is Schengen Agreement?**
 - Schengen zone in Europe is the world's largest zone of free movement, which provides visa free travel to signatory countries citizens.
 - the agreement was signed in 1985 among five of the six EU founding members except Italy in Schengen, a tiny village in Luxembourg.
- **Kosovo's Visa-Free Access**
 - Kosovo became the last western Balkan non-EU nation to be granted visa-free access to Schengen.
 - Citizens of Kosovo can now enter the Schengen zone as tourists for up to 90 days within a 180-day period.
- **Why Was Kosovo's Application Delayed?**
 - The European Commission had already cleared Pristina's preparedness to tackle illegal migration and corruption—essential preconditions for Schengen entry—back in 2018.

Why did Kosovo face delays in Schengen approval?

What factors contributed to the lack of development of Kosovo gaining visa-free access to the Schengen zone? What complexities arise in Schengen entry?

Timeline Substantiation

The story so far
Kosovo was recently second to receive access to the Schengen zone in Europe, becoming the last western Balkan non-EU nation to be granted visa-free access to the zone. Kosovo's application for Schengen membership was submitted in 2018, and it was approved by the EU Council in December 2020. Kosovo's accession to the Schengen zone is a significant milestone for the country, as it will allow its citizens to travel freely within the zone without the need for a visa.

Why was Kosovo's application kept pending for years?
The case of Kosovo is unique given that the European Commission had in 2018 cleared Pristina's preparedness to tackle illegal migration and corruption, preconditions for the entry. Kosovo has not been accorded legal status by the UN and denied recognition by Russia and China. It is important not to confuse the status of the four countries with the recent entry of Kosovo and the other western Balkan states which are not counted among the Schengen 27 members.

How did the region cope with the COVID-19 crisis?
Schengen had come under enormous strain following the Schengen summit in April 2020, as the border states were closed, and the arrival of thousands of migrants from conflict zones in Africa and Asia.

THE GIST
Kosovo recently gained Schengen visa waiver, becoming the last western Balkan non-EU nation to do so. Kosovo's application for Schengen membership was submitted in 2018, and it was approved by the EU Council in December 2020. Kosovo's accession to the Schengen zone is a significant milestone for the country, as it will allow its citizens to travel freely within the zone without the need for a visa. Kosovo has not been accorded legal status by the UN and denied recognition by Russia and China. It is important not to confuse the status of the four countries with the recent entry of Kosovo and the other western Balkan states which are not counted among the Schengen 27 members. Schengen had come under enormous strain following the Schengen summit in April 2020, as the border states were closed, and the arrival of thousands of migrants from conflict zones in Africa and Asia.

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- A map of the Balkan region, specifically focusing on Kosovo and North Macedonia. Kosovo is shaded in red and labeled 'Majority ethnic Serbian'. North Macedonia is shaded in grey and labeled 'Majority ethnic Albanian'. Other countries shown include Serbia, Montenegro, Bulgaria, Greece, and Albania. Key cities marked include Zvečan, Mitrovica, Pristina, and Tirana. The Adriatic Sea is to the west. An inset map shows the location of the Balkans within Europe. A scale bar indicates 75 km. The source 'The Economist' is noted at the bottom.

GS 2 (Governance)

- # Top court allows withdrawal of pleas against UAPA provisions

6. UK and Japan Economy has slipped into Recession

GS 3 (World Economy)

- **Why in News:** Britain's Economy fell into a recession in the second half of 2023 whereas Japan unexpectedly slipped into a recession at the end of last year which led to Japan losing its title as 3rd largest economy to Germany.
- **The United Kingdom's Recession**
 - **GDP Woes:**
 - The UK, once a powerhouse of economic growth, has stumbled into recession.
 - In 2023, its gross domestic product (GDP) witnessed a **0.3% decline** in the final quarter, following a previous contraction of 0.1% from July to September.
 - The Office for National Statistics (ONS) reports that all major sectors—manufacturing, construction, and wholesale—contributed to this downturn.
 - **Japan's Economic Shift**
 - Japan, once the world's second-largest economy, has slipped to fourth place.
 - In the final quarter of 2023, Japan's economy contracted, leading to its replacement by Germany as the third-largest economy globally.
 - The annual growth rate for 2023 stood at 1.9%, but the last quarter's decline of 2.9% signaled a shift in fortunes.
 - **Nominal GDP Tussle:**
 - Japan's nominal GDP reached \$4.2 trillion in the past year, while Germany's hovered at \$4.4 trillion (or \$4.5 trillion, depending on currency conversion).
 - With over 7% GDP growth in the financial year 2023-24, India aims to claim the coveted title of the third-largest economy globally within the next three years.
- **What is a recession?**
 - A recession refers to a sustained period of economic decline. It signifies a significant contraction in economic activity.
- **Types of Recessions**
 - **Boom and Bust Recession:**
 - Occurs when rapid economic growth leads to inflation.
 - Eventually, interest rates rise, causing a downturn.
 - **Balance Sheet Recession:**
 - Coined by economist Richard Koo.
 - Arises when households and businesses focus on reducing debt rather than spending.
 - Common after financial crises
 - **Supply-Side Shock:**
 - Triggered by external factors like oil price hikes.
 - Disrupts production and affects overall economic performance.

UK & Japan slip into recession

REUTERS
LONDON, TOKYO,
FEBRUARY 15

BRITAIN'S ECONOMY fell into a recession in the second half of 2023, a tough backdrop ahead of this year's expected election for Prime Minister Rishi Sunak who has promised to boost growth. Japan unexpectedly slipped into a recession at the end of last year, losing its title as the world's third-biggest economy to Germany and raising doubts about when the central bank would begin to exit its decade-long ultra-loose monetary policy. The UK's gross domestic product (GDP) contracted by 0.3% in the three months to December, having shrunk by 0.1% between July and September, official data showed. The fourth-quarter contraction was deeper than all economists' estimates in a Reuters poll, which had pointed to a 0.1% decline. Sterling weakened against the dollar and the euro. Investors added to their bets on the Bank of England (BoE) cutting interest rates this year and businesses called for more help from the government in a budget plan due on March 6. Ruth Gregory, deputy chief UK economist at Capital

Economics, said the GDP figures had more political significance than economic, with voters due to elect lawmakers in two constituencies on Thursday. In Japan, some analysts are warning of another contraction in the current quarter as weak demand in China, sluggish consumption and production halts at a unit of Toyota Motor Corp all point to a challenging path to an economic recovery. "What's particularly striking is the sluggishness in consumption and capital expenditure that are key pillars of domestic demand," said Yoshiaki Shinkai, senior executive economist at Dai-ichi Life Research Institute. Japan's GDP fell an annualised 0.4% in the October-December period after a 3.3% slump in the previous quarter, government data showed on Thursday, confounding market forecasts for a 1.4% increase. Two consecutive quarters of contraction are typically considered the definition of a technical recession. While many analysts still expect the Bank of Japan to phase out its massive monetary stimulus this year, the weak data may cast doubt on its forecast that rising wages will underpin consumption and keep inflation durably around its 2% target.

7. Regulating Political Funding: Rules Around the World, India's Challenge

GS 2 (Political Funding)

- **Why in News:** In a judgement in the electoral bonds case, the Chief Justice of India (CJI) dwelt at length on the close association of money and politics, and the influence of money over electoral outcomes.
- **Broader Issues in the Political Funding Framework:**

- The CJJ summarised the two issues raised by the petitions in the Electoral Bonds case as:

 - Whether unlimited corporate funding to political parties infringes the **principle of free and fair elections** and violates **Article 14** of the Constitution; and
 - Whether the **non-disclosure of information** on voluntary contributions are violative of the right to information of citizens under **Article 19(1)(a)**.
 - Unlike in the US, where elections revolve around the campaign of individual candidates, in India (like most other parliamentary systems) **parties are central to electoral politics**.
 - Thus, the primary focus of the campaign finance framework in India needs to be parties and the question of the **funding of political parties goes to the heart of India's democracy**.
 - Key Aspects of Regulating Party Funding Framework:**

 - Regulation of Donations:**

 - Some individuals or organisations may be **banned** from making donations. **For instance**, foreign citizens or companies.
 - There may also be donation limits**, aimed at ensuring that a party is not captured by a few large donors - whether individuals, corporations, or civil society organisations.
 - Some jurisdictions rely on contribution limits** for regulating the influence of money in politics.
 - For example**, the US federal law imposes different contribution limits on different types of donors.
 - Limits on Expenditure:**

 - Expenditure limits safeguard politics from a financial arms race** and relieve parties from the pressure of competing for money even before they start to compete for votes.
 - Therefore, some jurisdictions impose an expenditure limit on political parties.
 - For example**, in the UK, political parties are **not allowed to spend more than £30,000 (about Rs 30 lakh) per seat**.
 - Public Financing of Elections:**

 - Many countries provide public funding of parties and the most commonly used method is to **set predetermined criteria**.
 - For instance**, in Germany, parties receive public funds on the basis of their importance (votes they received in past elections, etc) within the political system.
 - A relatively recent experiment in public funding is that of **"democracy vouchers"** (distributed to eligible voters), which is used in local elections in Seattle, US.
 - Voters can use these vouchers to donate to the candidate of their choice.
 - Disclosure Requirements:**

 - This aspect of the regulation of private money in politics formed the **crux of the Electoral Bonds case**.
 - Disclosure as regulation rests on an assumption that the information supply and public scrutiny **may influence politicians' decisions and the electorate's votes**.
 - It does not outrightly prevent parties or donors from receiving or making donations.
 - Political Funding Rules Around the World - The Chilean Experiment:**

 - Under the Chilean system of "reserved contributions", **donors could transfer to the Chilean Electoral Service** the money they wished to donate to parties.
 - The Electoral Service would then forward** the sum to the party without revealing the donor's identity.
 - If the complete anonymity system worked perfectly, **the political party would not be able to ascertain the sum donated by any specific donor**.
 - However, various scandals revealed that Chilean politicians and donors had coordinated with each other to effectively erode the system of complete anonymity.
 - Case of India:**

 - In India**, there are no donation limits on individuals, also no legal expenditure limit on parties.
 - Therefore, **a party can spend as much** as it wants for its campaign as long as this expenditure is not for the election of any specific candidate.
 - The Electoral Bonds Scheme** enabled large donors to hide their donations if they used official banking channels.
 - Also, Indian electioneering is **no longer restricted to parties and candidates**.

- Over the last decade, there has been a staggering rise in the involvement of political consultancies, campaign groups, and civil society organisations in online and offline political campaigns.
- **Need of the Hour for India - Balancing Transparency, Anonymity:**
 - **Many jurisdictions strike this balance** by allowing anonymity for small donors, while requiring disclosures of large donations. For example,
 - **In the UK**, a party needs to report donations received from a single source amounting to a total of more than £7,500 in a calendar year.
 - The analogous limit in **Germany** is €10,000.
 - **The argument in favour of this approach is:** small donors are likely to be the least influential in the government and most vulnerable to partisan victimisation, while large donors and parties are mutually benefited.



17th Feb, 2024

1. Alexei Navalny (1976-2024)

GS 2 (Recent international events of importance)

- **Why in News:** Alexei Navalny, Russia's most prominent opposition leader, died recently after collapsing and losing consciousness at the penal colony north of the Arctic Circle where he was serving a long jail term.
- **Who was Navalny?**
 - Navalny, 47, became the leading figure among Russia's splintered opposition.
 - Supporters cast him as a Russian version of South Africa's Nelson Mandela who would one day be freed from jail to lead the country.
 - **Rose to prominence:** A former lawyer, Navalny rose to prominence with blogs which exposed what he said was vast corruption across the Russian elite, describing Russia as ruled by "crooks and thieves".
 - The US can announce a major package of sanctions against Russia over the death of opposition leader Alexei Navalny and the two-year Ukraine war.
- **What is India's stand?**
 - India is standing by its close relationship with Russia.
 - As a nation, Russia has supported India and India, in turn, has supported Russia. India has also been very clear vocal in the G20 declaration and before that at every summit.
 - India is "on the side of peace".



Alexei Navalny

Russian Opposition leader Alexei Navalny dies

Reuters
MOSCOW

Russian Opposition leader Alexei Navalny died on Friday after collapsing and losing consciousness at the penal colony north of the Arctic Circle where he was serving a jail term, the Russian prison service said.

Mr. Navalny, 47, rose to prominence more than a decade ago by lampooning President Vladimir Putin and the Russian elite whom he accused of vast corruption, avarice and opulence.

CONTINUED ON
PAGE 10

2. DAC have cleared acquisition of major purchases for Armed Forces

GS 2 (Security)

- **Why in News:** The Defence Acquisition Council (DAC), chaired by Raksha Mantri Shri Rajnath Singh, recently approved capital acquisition proposals worth ₹84,560 crore to enhance the capabilities of the Armed Forces and the Indian Coast Guard.
- **Approved Proposals**
 - **Anti-Tank Mines with Seismic Sensors:**
 - The DAC granted **Acceptance of Necessity (AoN)** under the **Buy (Indian-Indigenously Designed Developed and Manufactured, or IDDM)** category for the procurement of a new generation of anti-tank mines. These mines come equipped with seismic sensors and additional safety features. They will enhance the Army's ability to engage targets beyond visual line of sight.
 - **Canister Launched Anti-Armour Loiter Munitions System:**
 - To enhance operational efficiency and domination in the Tactical Battle Area, the DAC accorded AoN for the procurement of the **Canister Launched Anti-Armour Loiter Munitions System**. This system allows engagement of targets beyond visual range by Mechanised Forces.
 - **Air Defence Tactical Control Radar:**
 - The DAC approved the procurement of **Air Defence Tactical Control Radar** under the **Buy (Indian-IDDM)** category. This radar system will strengthen the Air Defence Systems by detecting slow, small, and low-flying targets, as well as providing surveillance, detection, and tracking capabilities
 - **Medium Range Maritime Reconnaissance and Multi-Mission Maritime Aircraft:**

Torpedoes, refueller aircraft in new deals cleared by DAC

The acquisition projects worth ₹84,560 crore also include new-generation anti-tank mines, radars, medium-range maritime reconnaissance and multi-mission maritime aircraft for Navy, Coast Guard

Bhaskar Puri
NEW DELHI

The Defence Acquisition Council (DAC) on Friday accorded Acceptance of Necessity (AoN), the first step in the procurement process, for proposals worth ₹84,560 crore.

The proposals include some long pending deals — such as for heavy weight torpedoes (HWT) for the Navy's Scorpene-class submarines and light refueller aircraft (FRA) for the Indian Air Force (IAP) — beginning afresh.

Other major deals include medium range maritime reconnaissance and multi-mission maritime aircraft for the Navy and the Coast Guard, new generation anti-tank mines, air defence tactical control radar, and software-defined radars.

"Further, to keep the Indian naval ships one step ahead of the threats posed by the adversaries, the AoN under Buy (Indian) category has been accorded for procurement of active-



The DAC has accorded nod for procurement of torpedoes to enhance the attacking capabilities of Kalvari class submarines.

towed array sonar having capabilities to operate at low frequencies and various depths for long-range detections of adversary submarines. The AoN has also been accorded for procurement of HWT for enhancing the attacking capabilities of Kalvari class submarines, the Defence Ministry said. "The DAC accorded AoN for procurement of FRA for enhancing the operational capabilities and the reach of the IAP".

Deals for HWTs, FRAs and towed-array sonars have been repeatedly de-

layed and the process now begins again. The delays were due to allegations of corruption and in the interim, the existing older generation torpedoes have been customised to fire from the Scorpines. With delays in their procurement, the IAP has been looking to lease aircraft for training purposes and keep the existing six IL-78 aircraft for operational tasks.

The AoN for procurement of medium-range maritime reconnaissance and multi-mission maritime aircraft, has been

granted by the DAC for strengthening the surveillance and interception capabilities of the Navy and the Coast Guard over the country's vast maritime area.

'DAP 2020' The procurement of a new generation of anti-tank mines having seismic sensors and the provision of remote deactivation with additional safety features has been approved under Buy (Indigenously Designed, Developed and Manufactured) category of Defence Acquisition Procedure (DAP) 2020.

The DAC has approved amendments in the DAP 2020 with respect to benchmarking and cost computation, payment schedule and procurement quantity.

The DAC also cleared the AoN for sustainment support through repair replenishment for the 24 MH-60R multi-role helicopters procured by the Navy from the U.S. under the foreign military sale route.

- Through the **Buy and Make** category, the DAC granted AoN for the procurement of these aircraft. They will enhance the surveillance and interdiction capabilities of the **Indian Navy** and the **Indian Coast Guard** across the vast maritime area of the country.
- **Active Towed Array Sonar:**
 - The DAC approved the procurement of **Active Towed Array Sonar** for Indian Naval Ships. This sonar system operates at low frequencies and various depths, enabling long-range detection of adversary submarines.
- **Heavy Weight Torpedoes (HWT):**
 - The DAC accorded AoN for the procurement of HWTs, enhancing the attacking capabilities of the **Kalvari-class submarines**.
- **Flight Refueller Aircraft (FRA):**
 - The DAC approved the procurement of FRA to enhance the operational capabilities and reach of the **Indian Air Force**.
- **Software Defined Radios (SDRs):**
 - The DAC granted AoN under the **Buy (Indian-IDDMM)** category for the procurement of SDRs for the **Indian Coast Guard**.
- **What Are Loitering Munitions?**
 - A loitering munitions, also known as a **suicide drone**, **kamikaze drone**, or **exploding drone**, is an aerial weapon with a built-in munitions (warhead). Unlike traditional missiles that follow a predetermined trajectory, loitering munitions can loiter or wait passively in the target area until a suitable target is identified.
 - **Advantages:**
 - **Autonomous operations**
 - **Precision engagements**
 - **Flexibility**
 - **Reduced Collateral Damage**
 - **Dynamic threat Response**
 - **Applications**
 - **Suppression of Enemy Air Defences**
 - **Counter-Insurgency Operations**
 - **Maritime Surveillance**
 - **Force Multiplier**
- **Defence Acquisition Council**
 - As the highest decision-making body, it oversees policies and capital acquisitions for the Army, Navy, Air Force, and the Indian Coast Guard.
 - The DAC was established in 2001 after the Kargil War.
 - Chaired by the Minister of Defence, it ensures efficient procurement processes and strategic decision-making.



3. Draft Guidelines for the Prevention of Misleading Ads in Coaching Sector

GS 2 (Governance)

• Why in News:

- The Central Consumer Protection Authority (CCPA), an arm of the Union Consumer Affairs Ministry, has released draft guidelines for the “Prevention of misleading advertisement in the coaching sector”.
- The draft guidelines will bring such offences under the radar of the Consumer Protection Act.

• About the Central Consumer Protection Authority (CCPA):

- It is a **regulatory authority** set up under [Section 10(1)] the **Consumer Protection Act 2019** to regulate matters related to violation of consumer rights, unfair trade practices, and misleading advertisements.
- It has an **investigation wing**, headed by a Director-General, which may conduct inquiry or investigation into such violations.
- **Functions of the CCPA:**
 - **Inquiring** into violations of consumer rights, **investigating** and launching **prosecution** at the appropriate forum;
 - Passing orders to **recall** goods or withdraw services that are hazardous, **reimbursement** of the price paid, and **discontinuation** of the unfair trade practices;
 - Issuing directions to the concerned trader/ manufacturer/ endorser/ advertiser/ publisher **to either discontinue a false or misleading advertisement or modify it**;
 - **Imposing penalties** (up to Rs 10 lakh and imprisonment for up to 2 years for a false/ misleading ad) and **issuing safety notices** to consumers against unsafe goods and services.

• About the Consumer Protection Act 2019:

- It was introduced by the **Ministry of Consumer Affairs, Food and Public Distribution** and replaced the previous - The Consumer Protection Act 1986.

Coaching centres can't use misleading ads: draft guidelines

The Hindu Bureau

NEW DELHI

The Central Consumer Protection Authority (CCPA), an arm of the Union Consumer Affairs Ministry, has released draft guidelines for the “Prevention of misleading advertisement in coaching sector”, which bring such offences under the radar of the Consumer Protection Act. The CCPA has invited public comments on the three-page guidelines. The CCPA had formed a sub-committee to draft the guidelines earlier after discussions with several stakeholders. The last date for submitting suggestions is March 16.

The Ministry said in a release that the draft guidelines have been framed after detailed deliberations with all stakeholders, including coaching institutes, law firms, government and voluntary consumer organisations. It has defined coaching as “tuition, instructions or academic support or learning programme or guidance” provided by any person. Any individual who engages in coaching

shall be considered to be engaging in a misleading advertisement if important information related to the course, such as whether it is free or paid, and duration opted by the successful candidate, is concealed. Such guidelines were initiated after widespread complaints against certain coaching centres for misusing the names and photos of successful candidates in various competitive examinations, including the civil services exam. Making false claims regarding success rates, number of selections, or rankings of students in any competitive exam without providing verifiable evidence, falsely representing students' success as solely attributable to the coaching, without acknowledging the individual efforts of the students and creating a false sense of urgency or fear of missing out that may heighten anxieties amongst students, or parents will be considered as misleading under the new guidelines. “Guidelines would be made applicable to every person engaged in coaching...”, the Ministry said.

CONSUMER PROTECTION ACT 1986	PROVISIONS	CONSUMER PROTECTION ACT 2019
No separate regulator	Regulator	Central Consumer Protection Authority (CCPA) to be formed
Complaint could be filed in a consumer court where the seller's (defendant) office is located	Consumer court	Complaint can be filed in a consumer court where the complainant resides or works
No provision. Consumer could approach a civil court but not consumer court	Product liability	Consumer can seek compensation for harm caused by a product or service
District: up to ₹20 lakh State: ₹20 lakh to ₹1 cr National: above ₹1 cr	Pecuniary jurisdiction	District: up to ₹1 cr State: ₹1 cr to ₹10 cr National: Above ₹10 cr
No provision	E-commerce	All rules of direct selling extended to e-commerce
No legal provision	Mediation cells	Court can refer settlement through mediation

• Draft Guidelines for the Prevention of Misleading Ads in Coaching Sector:

○ Background:

- The CCPA had formed a sub-committee to draft the guidelines after discussions with several stakeholders.
- Such guidelines were initiated **after widespread complaints** against certain coaching centres for misusing the names and photos of successful candidates in various competitive examinations, including the civil services exam.

○ Key Highlights of the Guidelines:

- **It has defined coaching** as “tuition, instructions or academic support or learning programme or guidance” provided by any person.

- **Any individual who engages in coaching** shall be considered to be engaging in a misleading advertisement if important information related to the course (free/ paid, duration opted by the successful candidate) is concealed.
- **What will be considered as misleading under the new guidelines?**
 - **Making false claims regarding** success rates, number of selections, or rankings of students in any competitive exam without providing verifiable evidence;
 - **Falsely representing students' success** as solely attributable to the coaching, without acknowledging the individual efforts of the students;
 - Stating or leading the consumers to believe that **enrollment in coaching will guarantee the student a rank**, etc., unless the coaching is able to substantiate the claims; and
 - **Creating false sense of urgency or fear** of missing out that may heighten anxieties amongst students or parents.
- **The objective of the Guidelines:** To protect consumers from misleading ads in the coaching sector by preventing such ads which affect consumers as a class.

4. India urges Central Asian countries to Use the Chabahar Port GS 2 (International Relations)

- **Why in News:** At Bishkek meet India has urged countries of the Central Asian regions to use the port of Chabahar located on the southeast coast of Iran to enhance connectivity and trade with India and other countries in the world.
- **Chabahar Port: A Key Transit Center**
 - **The International North-South Transport Corridor (INSTC):**
 - India envisions transforming the Chabahar Port into a vital node within the INSTC. This ambitious corridor aims to streamline cargo movement between India, Central Asia, Russia, and Europe.
 - By leveraging the ShahidBeheshti Port at Chabahar, India seeks to create a **multi-modal logistical corridor** that significantly reduces transportation costs and time.
 - The INSTC holds immense potential for enhancing trade volume and fostering economic growth across the participating countries.
 - **Central Asian Neighbors and Maritime Trade:**
 - India has extended a warm invitation to its Central Asian neighbors—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—to utilize both the Chabahar Port and the **ShaheedBeheshti terminal** for maritime trade.
 - The Chabahar Port serves as a gateway, linking the energy-rich Central Asian region with South Asian markets. It offers an alternative route that bypasses Pakistan, ensuring smoother connectivity.
 - Central Asian countries stand to benefit from this collaboration, as it opens up new avenues for economic diversification and regional cooperation.
- **India's Diplomatic Balancing Act**
 - **Engaging with the Taliban:**
 - Despite not recognizing the Taliban government in Afghanistan, India has engaged with the group in various formats.

Use Chabahar port, India tells Central Asian countries

Kalid Bhattacharjee
NEW DELHI

India has urged Central Asian countries to use the port of Chabahar located on the southeast coast of Iran to enhance connectivity and trade with India and other countries in the world.

Participating in the sixth Regional Dialogue of Secretaries of Security Councils/National Security Advisers on Afghanistan in Kyrgyz capital Bishkek, India's Deputy National Security Adviser Vikram Misri called for an "inclusive and representative" government in Afghanistan and said the approach towards the Taliban-ruled country should be based on consensus.

During his interaction with delegates from Iran, Russia, Kyrgyzstan, Kazakhstan and Turkmenistan, Mr. Misri invited "Central Asian neighbours to utilise the Chabahar port as well as the Shahid Beheshti terminal at the port for maritime trade with India."



The Chabahar port is located on the southeast coast of Iran, just west of India and other countries of the world," said a source privy to the discussion that focused on terrorism, drug trafficking apart from connectivity in the region.

The discussion at Bishkek came days after barely a fortnight after the head of the Indian "technical team" at Kabul participated in a discussion in Kabul with the stakeholders in Afghanistan that was chaired by the Taliban's Foreign Minister" Amir Khan Mutasi. India's participation at the regional discussion had raised eyebrows. On February 15, India highlighted "legitimate economic and security interests in Afghanistan" and argued that New Delhi "steadfast with its policy in support of peace, security and stability in Afghanistan."

Immediate priorities
"Our common immediate priorities include providing humanitarian assistance, ensuring formation of a truly inclusive and representative government, combating terrorism and drug trafficking and preserving the rights of women, children and the minorities," the Indian side stated in Bishkek.



- Recently, the head of the Indian 'technical team' participated in discussions in Kabul, signalling India's commitment to peace and stability in the region.
 - India's approach is pragmatic: it emphasizes an **inclusive and representative** government in Afghanistan, based on consensus and dialogue.
 - While safeguarding its legitimate economic and security interests, India continues to advocate for a stable Afghanistan.
- **The Regional Context:**
- The Bishkek discussion came shortly after the Indian technical team's interaction in Kabul. Although eyebrows were raised, India's consistent policy in support of peace remains steadfast.
 - India's engagement with the Taliban underscores its role as a responsible regional player, balancing its interests while promoting stability.
 - The Chabahar Port, in this context, becomes a conduit not only for trade but also for diplomatic engagement and conflict resolution.

Table1. India-Central Asia Trade (in USD millions)

CARs	2014-15	2019-20
Kazakhstan	952.35	2,458.29
Kyrgyzstan	38.53	30.46
Tajikistan	58.1	23.80
Turkmenistan	105.03	37.89
Uzbekistan	226.3	247.06

Source: Department of Commerce, Ministry of Commerce and Industry

• **China's Dominance in Central Asia through Belt and Road initiative**

Figure 1

China's "One Belt, One Road" is transforming Central Asia



Source: Financial Times A.T. Kearney analysis

• NISAR: Tracking Earth from Space

- **Dual Radar Frequencies:**
 - NISAR will be the **first radar of its kind in space**.
 - It employs two different radar frequencies: **L-band and S-band**.
 - These frequencies allow NISAR to systematically map Earth's surface, capturing changes as small as centimeters.
- **Earth's Changing Ecosystems:**
 - NISAR will monitor **biomass**, providing insights into forest health and vegetation dynamics.
 - It will track **deforestation**, helping us understand the impact on biodiversity and climate change.
 - The mission's data will aid in managing natural resources and ecosystems.
- **Dynamic Surfaces and Ice Masses:**
 - NISAR will study **glaciers and ice sheets**, revealing their changes over time.
 - It will provide critical information on **sea level rise**, a pressing concern due to global warming.
 - The radar system will also detect **natural hazards**, such as earthquakes and landslides.
- **Global Environmental Change:**
 - By observing Earth's surface and interior, NISAR will contribute to our understanding of **climate change**.
 - It will help scientists track shifts in **land cover, soil moisture, and water resources**.
- NISAR's data will be invaluable for policy decisions and environmental management.

6. OpenAI launches Sora GS 3 (Science and Tech)

• Why in News:

- OpenAI, the creator of the ChatGPT, has unveiled a new **generative artificial intelligence (GenAI) model** that can convert a text prompt into video.
 - GenAI is a type of artificial intelligence that uses machine learning to create new content based on user prompts.
 - GenAI models learn patterns and structure from training data, and then use that information to generate new data with similar characteristics.
- The model, called **Sora**, can generate videos up to a minute long while maintaining visual quality and adherence to the user's prompt.

• OpenAI

- **The Start**
 - OpenAI was set up in December 2015 as a non-profit AI research organisation whose goal was to develop "artificial general intelligence," or AGI.
 - AGI is essentially software that is as smart as humans.
 - The organisation said it wanted to ensure that AGI benefits all of humanity and no big tech company, like Google, would master the technology and monopolise its benefits
- **Founding members**
 - Among its founding members were Altman, Brockman, Reid Hoffman, the co-founder of LinkedIn, Amazon Web Services, Infosys, right-wing tech billionaire Peter Thiel and Elon Musk.
 - They collectively pledged a whopping \$ 1 billion to the venture.
- **The evolution**
 - Around two years after its inception, OpenAI released a report titled 'Improving Language Understanding by Generative Pre-Training.'
 - This introduced the idea of **Generative Pre-trained Transformers (GPTs)**.
 - GPTs are a type of large language model (LLM) that use transformer neural networks to generate human-like text.

OpenAI's breakthrough Sora: How AI can create videos from a text prompt



- GPTs are trained on large amounts of unlabelled text data from the internet, enabling them to understand and generate coherent and contextually relevant text.
- They can be fine-tuned for specific tasks like: Language generation, Sentiment analysis, Language modelling, Machine translation, Text classification.
- GPTs use self-attention mechanisms to focus on different parts of the input text during each processing step.
- This allows GPT models to capture more context and improve performance on natural language processing (NLP) tasks.
- NLP is the ability of a computer program to understand human language as it is spoken and written -- referred to as natural language.
- **ChatGPT**
 - ChatGPT is a state-of-the-art natural language processing (NLP) model developed by OpenAI.
 - It is a variant of the popular GPT-3 (Generative Pretrained Transformer 3) model, which has been trained on a massive amount of text data to generate human-like responses to a given input.
 - The answers provided by this chatbot are intended to be technical and free of jargon.
 - It can provide responses that sound like human speech, enabling natural dialogue between the user and the virtual assistant.
- **OpenAI Sora**
 - **About**
 - Sora is an AI model developed by OpenAI — built on past research in **DALL-E and GPT models** — and can **generate videos based on text instructions**.
 - a) DALL-E is a **text-to-image model developed by OpenAI** (introduced in January 2021) that creates digital images from natural language descriptions.
 - b) DALL-E can generate imagery in multiple styles, including photorealistic imagery, paintings, and emoji.
 - c) It can also manipulate and rearrange objects in its images, and can correctly place design elements in novel compositions without explicit instruction.
 - It can also animate a static image, transforming it into a dynamic video presentation.
 - Sora can create full videos in one go or add more to already created videos to make them longer.
 - It can produce videos up to one minute in duration, ensuring high visual quality and accuracy.
 - **Features**
 - Sora can generate complex scenes with various characters, precise actions, and detailed backgrounds.
 - **Not only does the model understand the user's instructions, but it also interprets how these elements would appear in real-life situations.**
 - It is capable of generating compelling characters that express vibrant emotions.
 - Sora can also create multiple shots within a single generated video that accurately persist characters and visual style.
 - **Shortcomings of the model**
 - OpenAI says that the current model of Sora has weaknesses.
 - It may struggle with accurately simulating the physics of a complex scene, and may not understand specific instances of cause and effect.
 - For example, a person might take a bite out of a cookie, but afterward, the cookie may not have a bite mark.

19th Feb, 2024**1. Fresh advisory soon on Aadhaar****GS 2 (Governance)**

- **Why in News:** The UIDAI plans to address concerns over the cessation of **Aadhaar usage** as a proof of date of birth by potentially allowing individuals to continue using it for age verification after conducting a risk-based assessment.
- **What is Aadhaar?**
 - An Aadhaar card is a **unique number issued to every citizen in India** and is a centralised and universal identification number.
 - The Aadhaar card is a **biometric document** that stores an individual's personal details in a government database, and is fast becoming the government's base for public welfare and citizen services.
 - It can be used for a **number of purposes**, making it a universally acceptable **government-issued card**, without needing to register or apply for a separate card for each of these services.
 - The Aadhaar card includes demographic information like the **citizen's name, father's or mother's name, date of birth, sex, and address**, as well as **biometric information** like a **photograph, fingerprints, and information about the iris (eye)**.
 - The **central government of India** controls and manages **Aadhaar cards**.
- **Aadhaar ID system in India:**
 - The UIDAI is a **statutory authority** established on 12th July 2016 by the Government of India under the jurisdiction of the **Ministry of Electronics and Information Technology**, following the provisions of the **Aadhaar Act 2016**.
 - The UIDAI is mandated to assign a **12-digit unique identification (UID)** number (Aadhaar) to all the residents of India.
 - The Unique ID (UID) is a critical element for effecting direct benefit transfers to millions of government welfare scheme beneficiaries, using what the Centre calls 'the **JAM (Jan Dhan bank accounts, Aadhaar, and Mobile Phones) trinity**'.
- **Concerns:**
 - A single entry controlling users' ID credentials can dispose of user data for internal or third-party profiling purposes.
 - Aadhaar faces hurdles, including burden of establishing authorization.
 - The system often results in **service denials**, and the **reliability of biometric technologies**, especially for manual laborers in hot, humid climates, is questionable.
- **UIDAI's statement**
 - The UIDAI, in a December 2023 missive, asked all agencies that use Aadhaar to **authenticate identities** to delete it from the list of **acceptable documents** for verifying a person's date of birth.
 - Now, Aadhaar ID cards come with a prominent disclaimer that they are "a proof of identity, not of citizenship or date of birth."
 - The UIDAI circular reflects that an Aadhaar number can be used to establish the identity of an individual subject to authentication and is **not per se a proof of date of birth**.
- **Related Judgments:**

Centre to clarify on Aadhaar as birth date proof, with risk ridersVikash Dhoti
NEW DELHI

To avoid inconvenience to the public and beneficiaries of government schemes and quell a sense of anxiety about a recent directive to cease the usage of Aadhaar as a proof of 'date of birth', the Unique Identification Authority of India (UIDAI) is likely to issue a clarification soon that those relying on the ID proof for age may do so after undertaking a "risk-based assessment".

The UIDAI, in a December 2023 missive, asked all agencies that use Aadhaar to authenticate identities to delete it from the list of acceptable documents for verifying a person's date of birth.

The authority said this was an iteration of its stated position and had been highlighted by different High Court judgments. Now, Aadhaar cards come with a prominent disclaimer that they are "a proof of identity, not of citizenship or date of birth".

A senior Electronics and Information Technology Ministry official indicated to *The Hindu* that the UIDAI would not withdraw the directive but would soon issue an advisory for agencies that rely on Aad-

NEW DELHI



The government aims to quell anxiety about a recent directive. FILE PHOTO

haar authentication for welfare benefits and KYC (Know Your Customer) compliance purposes.

"Reiterates stance"
"The UIDAI circular in question reflects and reiterates our stance that an Aadhaar number can be used to establish the identity of an individual subject to authentication and is not per se proof of date of birth. However, the UIDAI is likely to issue a clarification, putting the onus on user agencies to accept the date entered into Aadhaar records or verify it further, with the emphasis being on risk-based assessment," the official said, requesting anonymity owing to the sensitivity of the issue.

CONTINUED ON PAGE 10

- The case of Justice **Puttaswamy and Others v. Union of India** and Others was brought in 2018 by the Supreme Court's constitutional bench, which rendered a **4:1 majority decision** rejecting this claim challenging the validity of the Aadhar card.
- The Bench invalidated **Section 57 of the Aadhaar Act**, which mandates the use of an Aadhaar for verification by **private businesses and permitted businesses and people to demand an Aadhaar** in payment for goods and services, which was also repealed.

2. What are IPCC's Assessment Reports?

GS 3 (Environment)

• Why in News:

- Since 1988, the UN Intergovernmental Panel on Climate Change (IPCC) has produced six assessment reports that provide guidelines for estimating greenhouse gas emissions and removal.
- These documents - prepared by scientists from the 195 countries (part of the UNFCCC) - examine the science, consequences, adaptation, and vulnerability as well as the mitigation aspects of climate change.

• What is IPCC and its Assessment Reports?

- IPCC is an **intergovernmental body** of the UN constituted to advance scientific knowledge about climate change caused by human activities.
- The World Meteorological Organisation (secretariat of IPCC is in Geneva, hosted by the **WMO**) and the UN Environment Programme (**UNEP**) established the IPCC in **1988** (endorsed by the UN in 1989).
- It has **195 member states** who elect a **bureau** of scientists to serve through an assessment cycle.
- **The bureau selects experts to prepare IPCC reports.** It draws the experts from nominations by governments and observer organisations.
- Through its multiple **assessment cycles beginning 1990**, the IPCC has collated and analysed research by scientists on
 - Global warming,
 - The role humans have had in exacerbating it,
 - The long-term climate impact from current and future emissions and what people can do about it.
- **The IPCC does not itself undertake scientific assessments** but only evaluates the state of scientific evidence on various aspects of climate change.
- **The Sixth Assessment Report (AR6) and Afterwards:**
 - **Key highlights of the AR6:**
 - The report **does not weigh in on new scientific evidence** but synthesises findings from three working groups and also integrates evidence from three special reports during the sixth assessment cycle, which began in 2015.
 - The report was finalised at IPCC's 58th Session (13 to 17 March 2023) in Interlaken, Switzerland.
 - **The AR6 warned** that the time to limit the rise of the world's average surface temperature to **5 degrees Celsius** from the pre-industrial era (as agreed in the Paris Agreement) is running out.
 - **Also, the world is close to breaching adaptation limits.**
 - **It suggested some options** and strategies to slow warming, and to adapt and build resilience in natural systems, in human-made systems, and in communities.
 - **What follows AR6?**
 - After the AR6 synthesis report, the IPCC initiated its seventh cycle (**AR7**) by electing an IPCC bureau.

What are IPCC's assessment reports?

What do these reports by the UN Intergovernmental Panel on Climate Change aim to do? When will the seventh assessment report (AR7) be published? What is the role of the IPCC?

EXPLAINER

What are the reports?

The IPCC's work is based on the scientific assessment of the state of the climate system and its changes, and the impacts of climate change. The reports are prepared by experts from 195 countries and are published every five to seven years. The reports are used by governments and the public to inform policy and action.

What is the latest report?

The latest report is the Sixth Assessment Report (AR6), which was published in 2021. It consists of three working group reports and a synthesis report. The reports provide a comprehensive overview of the current state of climate science and the impacts of climate change.

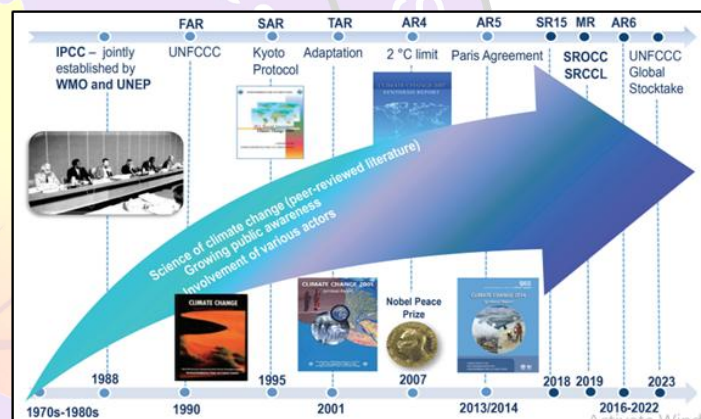
What is the role of the IPCC?

The IPCC's role is to provide a clear, concise, and authoritative assessment of the scientific information that is relevant to the understanding of climate change. The reports are used by governments and the public to inform policy and action.

THE STORY

The IPCC was established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP). Its mandate is to provide a clear, concise, and authoritative assessment of the scientific information that is relevant to the understanding of climate change.

The reports are prepared by experts from 195 countries and are published every five to seven years. The reports are used by governments and the public to inform policy and action.



- In (January) 2024, bureau members met for the first time in **Turkey** to discuss budgeting issues, timelines for the various reports, and the work programme.
- Prior to this, member countries made a suggestion to guarantee that appropriate IPCC input is available for the 2nd **global stocktake**, which is scheduled to conclude in 2028.
- **What is Meant by 'Global Stocktake'?**
 - **To assess the world's progress** towards the goals of the **Paris Agreement**, UNFCCC countries conduct a 'global stocktake' (GST) every five years.
 - **The GST is a mechanism to measure collective progress**, identify gaps, and chart a better course of climate action.
 - **The first GST started in 2022** and ended at the 28th session of the Conference of the Parties (COP28, Dubai) to the UNFCCC in 2023.
 - The first GST text, agreed by the member countries at the COP28, requested the IPCC to consider ways in which its work can be aligned with subsequent stocktakes.
- **The Second 'Global Stocktake':**
 - **The second GST is due in 2028**; and member countries have requested the IPCC to publish its AR7 assessment reports before so that countries could measure their progress against the state of the planet.
 - **But the bureau couldn't reach a consensus on the release date**, because each assessment report in the past has required at least four years from start to finish.
 - Countries also said a **shortened cycle could compromise the content** as not enough new research papers may be published to understand the changes in climate to the full extent.

3. Political Crisis in Senegal

GS 2 (International Relations)

- **Background:**
 - Senegal, officially the Republic of Senegal, is a country in **West Africa**, on the Atlantic Ocean coastline.
 - Senegal is bordered by Mauritania to the north, Mali to the east, Guinea to the southeast and Guinea-Bissau to the southwest.
 - On February 3rd, Senegal's **President Maky Sall** postponed Presidential elections due on February 25.
 - Protests have emerged across the country, with the police cracking down on protestors through indiscriminate detentions and violence leading to the death of one of them.
 - The unprecedented decision in **Dakar** (capital of Senegal) has been decried as a **Constitutional coup d'état** by the government's critics.
- **Reasons Behind the Current Political Crisis in Senegal:**
 - The current unrest is a repeat of the bloody violence witnessed on the streets of Dakar last year when more than 20 lives were lost and hundreds were injured.
 - The reason behind the violence was a **two-year prison sentences lapped on the leading opposition candidate Ousmane Sonko**.
 - He is a populist who targeted the country's elites for corruption and resisted the influence of the former colonial power **France**.
 - He was convicted in a trial for immoral behavior against a woman.
 - In the protests that erupted in 2021, security forces reportedly shot dead 12 persons.
 - In January this year, the **Constitutional Council barred Mr. Sonko from the Presidential race**.
 - President Sall took office in 2012 riding a wave of popular resistance against his predecessor seeking a third term.
 - Yet he asserted last March that he was legally permitted to run for a third term.
 - The decision to delay polls has sparked speculation over Mr. Sall's machinations to consolidate his position between now and the elections.
- **What Has Been Senegal's Recent Democratic Record?**
 - Sall's retrograde decision to defer elections marks a change from the country's periodic and smooth transfer of power witnessed for decades under a multi-party democratic system.

Why have fresh protests erupted in Senegal?

Why were opposition leaders charged out of the National Assembly by the president? Is Senegal's legacy as the only country in West Africa to have a peaceful transfer of power hanging by a thread?

Senegal's Background

Timeline of events: In February 3, weeks before the end of his second and final term, President Maky Sall postponed the February 25, 2024 presidential election. The move was widely seen as a bid to extend his rule. Sall's decision to postpone the election was met with widespread criticism. The move was seen as a bid to extend his rule. Sall's decision to postpone the election was met with widespread criticism. The move was seen as a bid to extend his rule. Sall's decision to postpone the election was met with widespread criticism. The move was seen as a bid to extend his rule.

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THE GST

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- Unlike all of its neighbours, **Senegal has never undergone a military coup or a civil war since it gained independence from France in 1960.**
- This is a country viewed as a beacon of democracy in a region increasingly under the grip of military takeovers.
- Moreover, President Sall has been instrumental in pushing military dictators in the **Economic Community of West African States (ECOWAS)** to facilitate a timely transfer of power to elected governments.
 - In early 2017, Senegalese troops successfully led a regional mission to force out long-time leader Yahya Jammeh in the Gambia, when he refused to step down after losing elections.
- Dakar has evidently abandoned this important regional role at a juncture when a number of west African states have recently descended into military dictatorships.
- The situation in Senegal raises doubts, as in Guinea, where President Alpha Condé's controversial re-election for a third term in 2020 ended up in a coup the following year.
 - Burkina Faso, Mali and Niger are already under military rule.
- The **return of military dictatorships in African countries has been a recurrent theme in the 2020s** and a serious regression after the heroic liberation struggles they waged in the 1960s.
- The big powers must reconsider their traditional role in the region as a whole.

4. Chinook Helicopter

Recent events of importance

- **Why in News:** A Chinook helicopter of the Indian Air Force made a precautionary landing following a "technical snag" near Punjab's Barnala recently.
- **About Chinook Helicopter:**
 - Chinook/CH-47F is the **S. Army's primary heavy troop and supply transport aircraft.**
 - It is an advanced **multi-mission helicopter.**
 - It is **manufactured by the American aerospace and defence firm Boeing for the US Army** and international defence forces.
 - It is used for the **transportation of troops, artillery, supplies, and equipment to the battlefield.**
 - **India has about 15 CH-47 Chinook helicopters.**
 - **Features:**
 - It is a **twin-engine, tandem-rotor heavy-lift helicopter.**
 - It contains a fully **integrated digital cockpit** management system.
 - It has advanced cargo-handling capabilities that complement the aircraft's mission performance and handling characteristics.
 - It has a **monolithic airframe** with vibration reduction.
 - **Maximum Speed: 160 knots (296 kmph).**
 - It has a **triple hook system**, which **provides stability for large external loads** or the capacity for multiple external loads.
 - It can carry up to 55 troops or approximately **10 tonnes of mixed cargo.**

Army upgrades firepower in eastern Arunachal near LAC

Chinook heavy-lift helicopter becomes a game changer as it can carry the M77 howitzer, which weighs four tonnes, and fly to posts that are difficult to reach due to rough terrain and thick forest

Dinakar Patel
WALING

After strengthening defences as well as its manpower in the Tawang sector of Arunachal Pradesh, the Army has now beefed up its combat potential along the Line of Actual Control (LAC) in the rest of the State with the induction of its entire range of arsenal, from the latest firearms to M77 ultra light howitzers.

The CH-47F Chinook heavy-lift helicopters have become a "game changer" in terms of their ability to lift heavy loads, including the M77s, and reach remote posts that are difficult to reach.

All helipads constructed or under construction in the past few years in Arunachal, the Chinooks have been connected to the rest of the State with the induction of its entire range of arsenal, from the latest firearms to M77 ultra light howitzers.

Adding to this, the M77 gives significant flexibility in employment options for long range fire power as it can be transported under sling the Chinook. The M77 weighs four tonnes. Last week, an Army unit operating the M77s and the 105-mm Indian field guns showcased a drill on



Long range: The M77 ultra light howitzer is a 125-mm, 30-calibre towed artillery gun, 20000 100

the operation of the howitzers to a small group of journalists visiting the area near the LAC in eastern Arunachal Pradesh.

In the past few years, a range of new generation equipment ranging from S&T76 rifles, Nagah light machine guns, and S&T76-42 super rifles, and a range of tactical drones have been inducted. "A range of new generation equipment has been inducted for augmentation and upgrading of communication infrastructure. This includes satellite terminals for remote and forward areas, man portable communication terminals

for smooth and seamless communication to forward areas," another Army source stated. Another demonstration was of a platoon of Chinook commands of the Army in full combat gear being briefed before they embarked on a long-range patrol which can range from seven to 30 days.

The Indian Air Force operates 15 Chinook heavy-lift helicopters procured from Boeing through the Foreign Military Sales programme of the US government under a deal in September 2005. Talks are on for procuring seven additional Chinooks.

5. Avdiivka

GS 2 (International events of importance)

- **Why in News:** The Russian military has taken full control of the Avdiivka Coke and Chemical Plant.
- **About**
 - Avdiivka, which had a pre-war population of around 32,000.
 - It was briefly taken in 2014 by Moscow-backed separatists who seized a swathe of eastern Ukraine but was recaptured by Ukrainian troops who built extensive fortifications.
 - It is called Avdeyevka by Russians.
 - Avdiivka has strategic and logistical value for Moscow.

Russia claims Avdiivka, says Kyiv troops still in coke plant

The capture of the Ukrainian town is Kremlin's biggest gain since claiming Bakhmut in May 2023. It will also serve as a morale booster for Russia ahead of Putin's bid for re-election next month

Reuters
MOSCOW/KYIV

Russia claimed the capture of the Ukrainian town of Avdiivka after Ukraine withdrew, but Moscow said that some Ukrainian troops were still holed up in a vast Soviet-era coke plant after one of the most intense battles of the war.

The fall of Avdiivka is Russia's biggest gain since capturing the city of Bakhmut in May 2023, and comes almost two years to the day since President Vladimir Putin triggered a full-scale war by ordering the invasion of Ukraine.

Ukraine said it had withdrawn its soldiers to save troops from being fully surrounded after months of fierce fighting. Mr. Putin hailed the fall of Avdiivka



Last ditch effort: Ukrainian troops pile up earthbags to build a fortification near Avdiivka in the Donetsk region on Saturday. AP

as an important victory and congratulated Russian troops. "The head of state congratulated Russian soldiers on this success, an important victory," the Kremlin said.

But Russia said some Ukrainian forces were still holed up at the Soviet-era coke plant, once one of Europe's biggest, in Avdiivka, which is key to Russia's aim of securing full control of the Donetsk region.

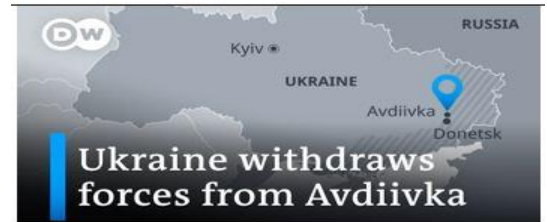
The Russian Defence Ministry said Russia had taken about 32 sq. km of territory in the advance amid heavy losses for Ukraine. It gave no figures for Russian

losses, which Ukraine says are huge.

Avdiivka, which had a pre-war population of around 32,000 and is called Avdeyevka by Russians, was briefly taken in 2014 by Moscow-backed separatists who seized a swathe of eastern Ukraine but was recaptured by Ukrainian troops who built extensive fortifications.

Boost for Russia: Capturing Avdiivka is likely to provide a morale boost for Russia ahead of Mr. Putin's bid for re-election next month, which he is almost certain to win. It is also seen as another step towards securing Moscow's hold on the regional centre of Donetsk, about 20 km to the east, held by Russian and pro-Russian forces since 2014.

- Avdiivka sits in the industrial Donbas region, 15 km (9 miles) north of the Russian-occupied city of Donetsk. Before the war, the Soviet-era coke plant was one of Europe's biggest.
- The fall of Avdiivka is Russia's biggest gain since it captured the city of Bakhmut in May 2023.



6. Money Bill route to bring in the laws

GS 2 (Governance)

• Why in News:

- Recently, the five-judge bench of Supreme Court declared the electoral bonds scheme unconstitutional.
- However, it postponed deciding on the government's use of money Bills to enact the laws introducing the electoral bonds.
 - Pleas challenging the use of the money Bill route is pending before a seven-judge bench that is yet to be formed.

• Money Bill

- Article 110 defines a money Bill as one containing provisions dealing with taxes, regulation of the government's borrowing of money, and expenditure or receipt of money from the Consolidated Fund of India, among others.
- Article 109 delineates the procedure for the passage of such a Bill and confers an overriding authority on the Lok Sabha in the passage of money Bills.
- The **Speaker certifies a Bill as a Money Bill, and the Speaker's decision is final.**
- Over the last seven years, the government has introduced multiple legislations through the money Bill route, the most notable of which are the **Aadhaar Act, 2016**, and the Finance Act, 2017.

• Difference between money Bills and financial Bills

- While all **Money Bills are Financial Bills**, all **Financial Bills are not Money Bills**.
 - E.g., the Finance Bill which only contains provisions related to tax proposals would be a Money Bill.
 - However, a Bill that contains some provisions related to taxation or expenditure, but also covers other matters would be considered as a Financial Bill.
 - The Compensatory Afforestation Fund Bill, 2015, which establishes funds under the Public Account of India and states, was introduced as a Financial Bill.
- The procedure for the passage of the two bills varies significantly.
 - **The Rajya Sabha has no power to reject or amend a Money Bill.**
 - After being passed by the Lok Sabha, money Bills are sent to the Rajya Sabha for its recommendations.
 - Within 14 days, the Upper House must submit the Bill back to the Lower House with its non-binding recommendations.
 - If the Lok Sabha rejects the recommendations, the Bill is deemed to have passed by both Houses in the form in which it was passed by the Lok Sabha without the recommendations of the Rajya Sabha.
 - Even if the Rajya Sabha doesn't respond with its recommendations within 14 days, the same consequences would follow.
 - However, a Financial Bill must be passed by both Houses of Parliament.
- While an ordinary Bill can originate in either house, **a money Bill can only be introduced in the Lok Sabha**, as laid down in Article 117 (1).
- Additionally, no one can introduce or move money Bills in the Lok Sabha, except on the President's recommendation.
- Amendments relating to the reduction or abolition of any tax are exempt from the requirement of the President's recommendation.
- The two prerequisites for any financial Bill to become a money Bill are that
 - It must only be introduced in the Lok Sabha and not the Rajya Sabha.
 - These bills can only be introduced on the President's recommendation.

• News Summary:

- Recently, a five-judge bench of the Supreme Court struck down the electoral bonds scheme as unconstitutional.

Key aspect in poll bond case still alive: Money Bill route

7-judge bench to decide on petitions

APURVA VISHWANATH
NEW DELHI, FEBRUARY 18

EVEN AS a five-judge bench of the Supreme Court struck down the electoral bonds scheme as unconstitutional on Thursday, it saved one aspect of the challenge for another day and a larger bench – the issue of the government using the money Bill route to bring in the laws that introduced the electoral bonds.

Pleas challenging the use of the money Bill route, which allows a legislation to bypass scrutiny of the Rajya Sabha, is pending before a seven-judge bench that is yet to be formed. In his opinion in the electoral bonds ruling, Justice Sanjiv Khanna wrote, "The question of

The pending cases

ARTICLE 145(3) states that a minimum of five judges must hear substantial questions of law that involve the interpretation of the Constitution. The money Bill issue raises key questions on parliamentary supremacy and extent of judicial review permissible. By 2023-end, according to SC records, 19 such cases were pending for hearing.

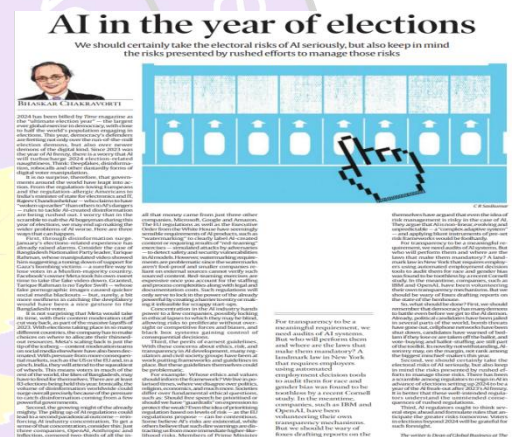
constitutional validity of the scheme and the amendments
CONTINUED ON PAGE 2

- However, it saved one aspect of the challenge for a larger bench – the issue of the government using the money Bill route to bring in the laws that introduced the electoral bonds.
- The SC declared that:
 - It had not examined the question of introducing these amendments through a money Bill under Article 110 of the Constitution.
 - The scope of Article 110 of the Constitution has been referred to a seven-judge Bench and is sub-judice.
- **Other instances of the govt using the money bill route**
 - The government had brought several key legislations using the money Bill route:
 - The **Foreign Contribution Regulation Act, 2010** by the Finance Acts of 2016 and 2018;
 - The **Tribunals Reforms Act** introduced as a money Bill in 2017.
 - Stringent amendments made to the **Prevention of Money Laundering Act (PMLA)** in 2022 and the passing of **Aadhaar Act in 2018**.
 - The Supreme Court has upheld the amendments of PMLA and the legality of Aadhar.
 - CJI Chandrachud was the lone dissenter in the five-judge bench that upheld Aadhaar
 - **He had termed the government's use of money Bill route a subterfuge and fraud on the Constitution**
 - However, these laws could still be struck down if the court decides that they were enacted through improper procedure (using the money bill route).

7. AI in the year of elections

GS 3 (Science and Tech)

- **Why in News:**
 - **The year 2024 has been termed as the ultimate election year** by a global magazine, with nearly half of the world's population participating.
 - However, **amidst the conventional challenges, a new threat has emerged** in the digital domain, **fuelled by AI**.
 - Therefore, **it becomes imperative to analyse the potential pitfalls of hastily crafted regulations intended to combat AI-driven disinformation** during this pivotal year.
- **Potential Drawbacks of Panic Regulatory Measures Pertaining to AI**
 - **Disinformation Surge: The Unintended Consequences of Resource Allocation**
 - The proliferation of disinformation, **exemplified by manipulated videos affecting political figures, poses a significant challenge.**
 - **For example, the case of Bangladesh Nationalist Party leader, Tarique Rahman, whose manipulated video showed him suggesting a toning down of support for Gaza's bombing victims — a surefire way to lose votes in a Muslim-majority country.**
 - Facebook's owner Meta took its time to take the fake video down.
 - A bit more swiftness in catching the Deep fakery would have been a nice gesture to the Bangladeshi voter
 - Meta's delayed response in taking down a fabricated video raises questions about the **efficacy of content moderation.**
 - **The reduction of content moderation staff**, a consequence of the massive layoffs in 2023, amplifies the challenge.
 - **The pressure to prioritise interventions** in more influential markets **may leave voters in less prominent regions vulnerable to disinformation.**
 - This means voters in much of the rest of the world, **like in Bangladesh, may have to fend for themselves.**
 - **The volume of disinformation worldwide could surge overall precisely because of the pressure to catch disinformation** coming from a few powerful governments.
 - **The Growing Might of the Already Mighty: Concentration and Ethical Lapses**
 - AI regulations, **while well-intentioned, risk reinforcing industry concentration.**
 - **Requirements like watermarking** (are not fool-proof) **and red-teaming**(expensive) **exercises may inadvertently favour tech giants**, as smaller companies face hurdles in compliance.

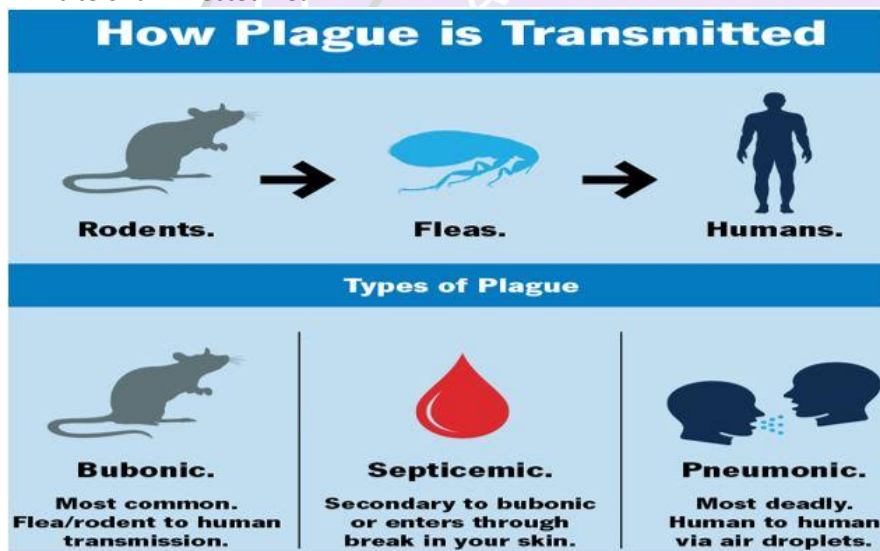
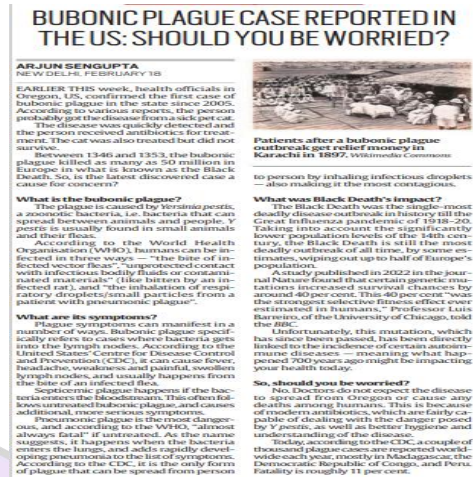


- **Such regulations will only serve to lock in the power** of the already powerful by creating a barrier to entry or making it infeasible for start-ups.
- **This not only concentrates power but also raises concerns about ethical lapses**, biases, and the consolidation of control over consequential decisions by a few dominant entities.
- **The Perils of Earnest Guidelines: Navigating Ethical Quagmires**
 - The development of ethical frameworks and guidelines **introduces its own set of challenges**.
 - **The question of whose ethics and values should inform these frameworks** becomes pivotal in polarised times.
 - Divergent opinions on prioritising regulation based on risk levels add complexity, with some viewing AI risks as existential and others emphasizing more immediate concerns.
 - The absence of laws mandating audits of AI systems raises transparency concerns, leaving voluntary mechanisms susceptible to conflicts of interest.
 - **Some believe AI's risks are existential, while others believe that such dire warnings are distracting us from more immediate higher-likelihood risks.**
 - In Indian context, **members of PM's Economic Advisory Council themselves** have argued that **even the idea of risk management is risky in the case of AI as it is non-linear, evolving, and unpredictably a complex adaptive system.**
- **Possible Solutions for Policymakers to Navigate the Complexity of AI Regulatory Measures**
 - **Need to Tackle Democracy's Inherent Challenges Along with AI Threat**
 - Before delving into the complexities of AI-related risks, **it is crucial to recognise the persistent challenges democracy faces on a global scale.**
 - Instances of political candidates being unjustly imprisoned, bomb threats targeting electoral processes, shutdowns of cell phone networks, etc., illustrate the vulnerability of democratic systems.
 - Additionally, the enduring practices of vote-buying and ballot-stuffing continue to mar the integrity of elections.
 - **These issues, deeply ingrained in the democratic process, serve as a backdrop against which the novelty of AI threats must be considered.**
 - **Balance the Urgency of AI Risks with Sensible Regulation**
 - The rush among regulators to regulate AI before elections in 2024, following the AI frenzy of 2023, **highlights a cautionary stance.**
 - While addressing the emerging threats posed by AI is imperative, **hastily implemented regulations may inadvertently exacerbate the situation.**
 - The potential for unintended consequences, **coupled with the complexities of regulating a rapidly evolving technological landscape should be analysed and reconsidered**
 - **It is crucial for well-intentioned regulators to appreciate the intricate balance required in managing AI risks** without inadvertently creating new challenges or impeding democratic processes.
 - **Plan for Future Challenges**
 - **There is a need for a forward-thinking approach** by AI regulators and there is also a need to anticipate and formulate **rules that not only address current risks but also proactively tackle the greater challenges** that may emerge in the future.
 - In AI regulation, **it is important to understand that technology evolves rapidly, and the regulatory framework must evolve accordingly.**
 - By thinking several steps ahead, regulators can contribute to the resilience of democratic processes.
 - **It will ensure that voters in elections beyond 2024 benefit from a regulatory environment** that is adaptive, proactive, and effective.
- **Conclusion**
 - While acknowledging the significance of addressing AI-related electoral risks, **there is a need to avoid hasty regulatory measures.**
 - **Regulators are required to anticipate future risks, ensuring rules formulated today remain relevant** in the elections beyond 2024.
 - **Foresight and a measured approach are also necessary to strike a balance between addressing immediate concerns and avoiding unintended consequences** in the complex landscape of AI and democracy.

8. Bubonic Plague

GS 2 (Health)

- **Why in News:** In a recent incident, health officials in Oregon, US confirmed the **first case of bubonic plague** in the state since 2005.
- **What is the bubonic plague?**
 - Bubonic plague specifically refers to cases where bacteria gets into the **lymph nodes**.
 - **Caused by:** *Yersinia pestis*, a zoonotic bacteria, i.e. bacteria that can spread between animals and people. *Y. pestis* usually found in small animals and their fleas.
- **Transmission:** Humans can be infected in one of three ways —
 - the bite of infected vector fleas
 - unprotected contact with infectious bodily fluids or contaminated materials
 - inhalation of respiratory droplets/small particles from a patient with pneumonic plague
- **Symptoms:** It can cause fever, headache, weakness and painful, swollen lymph nodes, and usually happens from the bite of an infected flea.



Other Types of Plague	
Septicemic plague	Pneumonic plague
<ul style="list-style-type: none"> • Septicemic plague happens if the bacteria enters the bloodstream. • This often follows untreated bubonic plague, and causes additional, more serious symptoms. • These include abdominal pain, shock, bleeding into the skin, and blackening of appendages, most often fingers, toes or the nose. • Source: This form comes either from flea bites or 	<ul style="list-style-type: none"> • It happens when the bacteria enters the lungs, and adds rapidly developing pneumonia to the list of symptoms. • It is the only form of plague that can be spread from person to person by inhaling infectious droplets — also making it the most contagious. • Pneumonic plague is the most dangerous, and according to the WHO, “almost always fatal” if

from handling an infected animal.

untreated.



20th Feb, 2024**1. Go by dictionary definition of forest as per '96 judgment: SC****GS 3 (Environment)**

- **Why in News:** The Supreme Court passed an interim order directing that States and Union Territories must act as per the **definition of "forest"** laid down in the **1996 judgment** in **T.N Godavarman Thirumalpad v. Union of India** while the process of identifying land recorded as forests in Government records is going on as per the **2023 amendment to Forest (Conservation) Act**
- **Background**
 - The Supreme Court Bench was hearing a batch of writ petitions challenging the 2023 amendments to the Forest Conservation Act.
 - The petitioners contended that the expansive definition of 'forest' given in the **Godavarman judgment** has been narrowed by **Section 1A inserted by the 2023 amendment**, according to which a land has to be either notified as a forest or specifically recorded as a forest in a government record to qualify as a "forest".
 - Whereas, as per the **Godavarman judgment**, 'forest' has to be understood in terms of its dictionary meaning.
- **Key-highlights of SC's Judgment**
 - The Court was told that the narrowing of the definition would leave out nearly 1.99 lakh square kilometers of forest land from the ambit of 'forest'.
 - Out of the total of **713,000 sq km of forests in the country**, an area of 197,159 sq km with tree cover (not forming part of declared forests in government records) would stand excluded from the **recorded forest areas (RFA)**, if the **2023 law's definition** is taken into account, as compared to the definition in **Godavarman ruling**.
 - For now, states and Union territories need to go by the **dictionary definition** of the *word forest* to determine whether any work can be approved on any land.
- **Classification of Forest**
 - **The Forest Survey of India (FSI) classifies forest cover into 4 classes:**
 - **Very Dense Forest:** All lands with tree cover (including mangrove cover) of canopy density of 70% and above.
 - **Moderately dense forest:** All lands with tree cover (including mangrove cover) of canopy density between 40% and 70%.
 - **Open forests:** All lands with tree cover (including mangrove cover) of canopy density between 10% and 40%.
 - **Scrubs:** All forest lands with poor tree growth mainly of small or stunted trees having canopy density less than 10%.
 - **Indian Forest Act of 1878 classifies Forests into Reserved, Protected, and Village Forests:**
 - **Reserved forests:** They constitute more than half of the total forest area of India. It has a certain degree of protection. They are protected by the respective state governments unlike wildlife sanctuaries and national parks which are supervised by the Government of India.
 - **Protected forests:** They are of two types- **Demarcated and Undemarcated**. They have a limited amount of protection. These are looked after by the government but **certain activities like hunting, grazing, or timber collecting are allowed to people who live on the boundaries of forests** and are partially or wholly dependent on the forest resources for livelihood, **provided they don't cause severe damage to the forests**.

Use dictionary meaning of 'forest', SC tells Centre

Three-judge Bench asks govt. to revert to the 'broad and all-encompassing' meaning upheld in a 1996 order; 1.97 lakh square km of undecleared forest land to come under the ambit of 'forest' now

Krishnaswamy Rajagopal
NEW DELHI

The Supreme Court on Monday, in a significant order, directed that the expression 'forest' will continue to have a "broad and all-encompassing" meaning for the time being, and include 1.97 lakh square km of undecleared forest lands. A three-judge Bench headed by Chief Justice of India D.Y. Chandrachud passed the order on petitions challenging the amendments introduced in 2023 to the Forest (Conservation) Act, 1980. The 1980 statute was enacted to check further deforestation leading to ecological imbalance. The petitions had argued that Section 1A introduced through the amend-

Verdict on woods

Some of the observations made by the SC over the plans challenging the 2023 amendments to the Forest (Conservation) Act, 1980

• The "all-encompassing" dictionary meaning will continue to hold field until the States and Union Territories prepare a consolidated record of forest lands.

• Environment Ministry should issue a circular in this regard to the States and Union Territories. • Establishment of "zones or safety" must have the final approval of the top court.

man Thirumalpad case. The term 'forest' had been given a broad meaning by the court then to preserve these green expanses, irrespective of their nature, classification or ownership. "The adoption of this dictionary meaning to forests was made to align with the intent of the Forest Conservation Act, 1980. It is clarified that the expression 'forest' will cover but not be confined to lands recorded as forests in the government records," the court noted. The Bench made a note of the "all-encompassing" dictionary meaning upheld by the Supreme Court more than 25 years ago.

CONTINUED ON
PAGE 12

- **Village forests:** They are **protected and managed by village communities** which are assigned by the state governments.
- **What are the Issues With current Forest cover Data?**
 - **Inclusion of Plantations in Forest Data:** Loss of natural forests remains invisible due to inclusion of plantations, orchards, urban housings as dense forests.
 - The SFR 2021, for example, reports 12.37% dense forest by including random green patches.
 - **Compensatory Afforestation:** The applicants for diverting forest land in a hilly or mountainous state with green cover covering more than two-thirds of its geographical area, or in a state/UT with forest cover covering more than one-third of its geographical area, will be able to take up compensatory afforestation in other states/UTs where the cover is less than 20%.
 - **Allows Private Plantations:** The rules make a provision for private parties to cultivate plantations and sell them as land to companies who need to meet compensatory afforestation targets.
 - Prior to the updated rules, state bodies would forward documents to the FAC that would also include information on the status of whether the forest rights of locals in the area were settled.
 - **Allows building in Forests:** Right to construct structures for bonafide purposes including forest protection measures and residential units (up to an area of 250 sq. meters as one-time relaxation).

2. Protein Structure

GS 3 (Science and Tech)

- **Why in News:** John Jumper, Breakthrough Prize laureate, has been developing novel methods to apply artificial intelligence and machine learning to **protein biology**.
- **What are protein structure?**
 - Proteins are the end products of the decoding process that starts with the information in **cellular DNA**.
 - The building blocks of proteins are amino acids, which are small organic molecules that consist of an **alpha (central) carbon atom** linked to an **amino group**, a **carboxyl group**, a **hydrogen atom**, and a **variable component** called a side chain.
 - Protein structure is the three-dimensional arrangement of atoms in an amino acid-chain molecule.

Breakthrough Prize laureate calls for collecting 'precious' protein structures

The Hindu Bureau
BENGALURU

Protein structures are precious and they should be collected and pooled into a central resource, John Jumper, Breakthrough Prize laureate, said here on Monday.

"We are learning about protein sequences three thousand times faster than we are learning about protein structures. We have this enormous gap in which certain things are very easy to measure like genetics and certain things are very hard to measure three-dimensional structures and we would love to close this gap", he said.

Mr. Jumper was delivering the TNQ Distinguished Lectures in the Life Sciences - 2024 on 'Highly Accurate Protein Structure Predictions: Using AI to Solve Biology Problems in Minutes Instead of Years' at the JN Tata Auditorium, IISc. Mr. Jumper, who currently leads the AlphaFold2 project at Google



John Jumper

DeepMind, spoke about the project that made structure predictions for over 200 million proteins. AlphaFold is an AI system developed by DeepMind that predicts a protein's 3D structure from its amino acid sequence. The programme is said to reduce the time taken by scientists to determine protein structure, besides displaying the impact Artificial Intelligence (AI) can have on scientific discovery.

Mr. Jumper has been developing novel methods to apply AI and machine learning (ML) to protein biology. "We really want to make AlphaFold have a wider domain and be more

useful. There is a tremendous amount of interaction between protein and Deoxyribonucleic acid (DNA), protein and Ribonucleic acid (RNA), etc, so we really want to achieve this goal of whole Protein Data Bank (PDB), how do we make predictions for all the atoms that you could see within the PDB. This is still work in progress," he said.

Mr. Jumper said that data has to be diverse for ML. "There are a couple of key components for ML. Data has to be diverse. Data has to be diverse as the problem you are looking to solve. Bigger and more general problems are easier to solve with ML," he explained.

3. Mission Aspides

GS 2 (International Relations)

- **Why in News:** The European Union recently launched Mission Aspides to protect commercial vessels in the Red Sea from attacks by Iran-backed Houthi rebels.
- **About Mission Aspides:**
 - It is a **European Union (EU) naval mission to protect cargo ships in the Red Sea** from attacks from Yemen's Houthi rebels.
 - It will send **European warships and airborne early warning systems** to the **Red Sea, Gulf of Aden** and surrounding waters.
 - So far, France, Germany, Italy and Belgium have said they plan to contribute ships.
 - Aspides vessels, whose **operational command centre will be in the Greek city of Larissa**, will have orders to fire on the Houthis only if they attack first and will not be authorised to shoot pre-emptively.
 - The mission is **planned for one year but may be renewed**.
- **Key Facts about the Red Sea:**

EU launches Red Sea mission as U.S. ship is attacked twice

Agence France-Presse
DUBAI

The European Union launched a naval mission on Monday to protect Red Sea shipping from Yemen's Houthi rebels as a U.S.-owned cargo vessel reportedly came under fire in the region.

The Iran-backed Houthis, who control much of war-torn Yemen, have been harassing the vital shipping lane since November in a campaign they say is in solidarity with Palestinians in Gaza during the Israel-Hamas war.

The EU aims to have the mission - called Aspides, Greek for "shield" - up and running in a "few weeks" with at least four vessels.

The U.S. is already spearheading its own naval coalition in the area.



Sea support: The EU aims to have the mission, called Aspides, up and running in a "few weeks" with at least four vessels. AFP

The dozens of Houthi attacks have rolled shipping in the Red Sea.

Missile attack
In the latest incident, a Greek-flagged, U.S.-owned cargo ship was attacked twice in two hours in the Gulf of Aden, which adjoins the Red Sea, maritime security firm Ambrey said.

The Greek-flagged bulk carrier reported a "missile attack" before another projectile hit the water just metres from the ship, Ambrey said.

The ship's master reported "evidence of shrapnel and damage to paintwork" in the second incident, the British Navy's U.K. Maritime Trade Operations said.

- It is a **semi-enclosed inlet**(or extension) of the Indian Ocean between the continents of **Africa and Asia**. It is one of the **world's warmest seas**.
- It is **connected to the Arabian Sea and the Indian Ocean to the south through the Gulf of Aden and the narrow strait of Bab El-Mandeb**.
- The **northern portion of the Red Sea is bifurcated by the Sinai Peninsula into the Gulf of Aqaba and the Gulf of Suez**, where it is **connected to the Mediterranean Sea via the famous Suez Canal**.
- Bordering Countries:**
 - Yemen and Saudi Arabia border the Red Sea to the east.**
 - It is bordered by **Egypt to the north and west and by Sudan, Eritrea, and Djibouti to the west**.
- This sea has a surface area of roughly **438,000 km²** and is about **2,250 km** in length.
- The maximum width of the sea is **355 km**, and the **sea's deepest point is 3,040 m at the central Suakin Trough**, with the sea's estimated average depth being **490 m**.
- Islands:** Some well-known islands **include Tiran Island**, which is **located near the mouth of the Gulf of Aqaba**, and **Shadwan Island**, which is located at the entrance of the Gulf of Suez.

4. iOncology AI for cancer detection

GS 3 (Science and Tech)

- Why in News:** To exploit the power of AI in healthcare, AIIMS, New Delhi, in collaboration with the Centre for Development of Advanced Computing (CDAC), Pune, has launched an AI platform, iOncology.ai, for facilitating **early detection of Cancer**.
- About**
 - The AI system runs on deep learning models capable of analysing complex medical data with **"unprecedented accuracy and efficiency"**.
 - It was trained using a data set of **500,000 radiological and histopathological images from 1,500 cases of breast and ovarian cancers**, the two most common types of cancer.
- Cancer**
 - Cancer is globally estimated to be the most fatal disease than those from **cardiovascular (Lancet, 2019) in high-income countries (HICs), and middle-income countries (MICs)**.
 - According to the **Global Cancer Observatory (GLOBOCAN)** estimates, there were **19.3 million incident cancer cases worldwide for the year 2020**.
 - India ranked third after China and the United States of America.

A supercomputer and the AI in AIIMS: How they are helping identify therapies for cancer patients



5. CrPC remedy not barred by 1986 law: SC

GS 2 (Social Issues)

- Why in News:** The Supreme Court is considering the issue of whether **Muslim women** can file petitions under **Section 125 of the CrPC** seeking maintenance from their former husbands, in light of the **Muslim Women (Protection of Rights on Divorce) Act, 1986**, following observations during a hearing on an appeal regarding maintenance payments
- Key-issues discussed**
 - The **Muslim Women (Protection of Rights on Divorce) Act, 1986**, enacted in the aftermath of the Shah Bano case judgment, **does not say that a divorced Muslim woman cannot file a petition under Section 125 of the CrPC, 1973**, seeking maintenance from her former husband.
 - The Court reserved decision on the question as to which of these two laws would prevail.
- Muslim Women (Protection of Rights on Divorce) Act, 1986**,
 - The **Muslim Women (Protection of Rights on Divorce) Act, 1986 Act ("Act")** is a special law in the nature of beneficial legislation, which provides way more than what Section 125 CrPC contemplates.

TOP COURT RESERVES ORDER ON DIVORCED MUSLIM WOMEN'S MAINTENANCE RIGHTS
CrPC remedy not barred by 1986 law: SC



- Besides maintenance, Section 3 of the Act also deals with mehr, dower and return of property.
- Under the Act, a "reasonable and fair" provision is also made for the divorced woman's entire life, but the same is not contemplated under Section 125 CrPC.
- Moreover, if the divorced woman has sufficient means, she cannot file for maintenance under Section 125 CrPC, however, that is the case with Section 3 of the Act.
- **Important Judgments**
 - In 2013, the Supreme Court restored a **family court order**, recognising a **divorced Muslim woman's right to uphold the Section 125 CrPC** petition for maintenance.
 - However, in 2019, **Justice Ahsan Amanullah, as a Patna High Court judge**, set aside the family court's order rejecting a Muslim woman's plea for maintenance.
 - Justice Amanullah held that a Muslim woman has the option to apply for maintenance under the 1986 Act and the CrPC.
 - He stated it cannot be said that she has been deprived under law because she is a divorced Muslim woman
- **The crux of the issue**
 - The crux of the issue lies in the case of **Shah Bano Begum**.
 - The Supreme Court gave a historic verdict in the Mohamed Ahmed Khan vs Shah Bano Begum case in 1985, stating that Section 125 of the CrPC, viewed as a secular provision, applies to Muslim women as well.
 - However, some considered the decision an **attack on religious personal laws**.
 - The uproar resulted in the enactment of the Muslim Women Act, 1986, limiting the right to maintenance of Muslim women after divorce to 90 days.

6. Indian Army To Set Up New Corps

GS 2 (Security)

- **Why in News:** The Army is converting its **Headquarters Uttar Bharat (HQ UB)** area into a **full-fledged operational corps** — a move that will shift its focus towards operations along the **Line of Actual Control (LAC)** from its current responsibility of peacetime duties.
- **What is a corps?**
 - A corps is a **military structure** that includes elements of **all arms and services**, equipped with sufficient reserves for operations within its area of responsibility.
 - Typically, a corps is organised to manage three divisions, though this can vary based on operational needs, with each division consisting of 15,000 to 18,000 soldiers.
- **Line of Actual Control (LAC)**
 - The **Line of Actual Control (LAC)** is the effective border between India and China.
 - LAC was supposed to **divide areas under Indian and Chinese control** since the end of the Sino-Indian War of 1962.
 - Unlike the LoC (between India and Pakistan), the LAC was **not mutually agreed upon**. This was because the war ended with a **unilateral ceasefire by China**.
- **About HQ UB**
 - Based in Uttar Pradesh's Bareilly, the **HQ UB** oversees peacetime activities and training facilities in Uttarakhand and western Uttar Pradesh, as well as the LAC sections adjacent to Himachal Pradesh and Uttarakhand, known as the **central theatre**.
 - Previously, the UB area had a single brigade and several scout battalions for patrolling key border regions.

Army to set up new corps for ops along LAC

AMRITA NAYAR DUTTA
NEW DELHI, FEBRUARY 10

THE ARMY IS CONVERTING ITS Headquarters Uttar Bharat (HQ UB) area into a full-fledged operational corps — a move that will shift its focus towards operations along the Line of Actual Control (LAC) from its current responsibility of peacetime duties. The Indian Express has learnt.

Based in Bareilly, the HQ UB area is currently a static formation looking after peacetime functions and training establishments of Uttarakhand and western Uttar Pradesh, in addition to the LAC running along Himachal Pradesh and Uttarakhand — also referred to as the central theatre.

A corps comprises elements of all arms and services with adequate reserves to carry out operations in its area of responsibility. It is structured to hold these elements, but can hold more or less as per existing operational requirements. Each division comprises 15,000 to 18,000 troops.

Earlier, the UB area had only one brigade and a few scout battalions under it to patrol key border areas that considered frequent face-offs with Chinese troops at certain disputed points along the LAC and an enhanced focus on disarming the border. The formation was gradually upgraded and its combat capability increased by putting three independent brigades and an infantry division based in Uttarakhand under it.

The formation is currently referred to as Combined UB Area. While a combined area HQ has fighting elements, a traditional corps has additional artillery brigades, engineering

brigades and other logistic components. The newly reconstituted corps will have all the troops and equipment from other arms and services such as artillery, engineers and aviation, among others, under its direct command to use, centrally conduct operations in the central theatre.

As per officials, the increased troop density in the area and additional emerging operational requirements have necessitated a change of focus towards operational tasks.

The move was on the cards for almost a year. Changing the static formation to an operational corps, officials added, would change the focus of the organisation, which will now be on carrying out various operational tasks even as sub-arms and training establishments continue to focus on their traditional peacetime role.

So far, these units did not come under UB Area in its role as a peacetime formation.

"The mental readiness and operational thought process will also undergo a change, essential to keep the prime focus on the LAC," an official said.

Officials said that raising a new headquarters would also have required greater manpower and other assets and hence the decision was made to convert the existing area headquarters into a corps headquarters. The change is being done with that existing as the thrust manpower of the Army.

Officials said that raising this corps will help better development of border infrastructure and control logistic facilities and the corps HQ will be the command and control agency for all security threats in the region.

- However, in response to recurring confrontations with Chinese forces at certain points along the LAC and a strategic emphasis on dominating the border, the formation was gradually upgraded and its combat capability increased by putting three independent brigades and an infantry division based in Uttarakhand under it.
- The formation is currently referred to as **Combatised UB Area**.
 - While a combatised area HQ has fighting elements, a traditional corps has additional artillery brigades, engineering brigades and other logistics components.
- **Impact of the move**
 - It will enhance its operational capabilities along the Line of Actual Control (LAC).
 - The newly reconstituted corps will have all the troops and equipment from other arms and services such as artillery, engineers and aviation, among others, under its direct command to successfully conduct operations in the central theatre.
 - The establishment of this corps is expected to strengthen border infrastructure development, combat logistics, and serve as a centralised agency for addressing security challenges in the region.

7. Rubber Board

GS 2 (Economy)

- **Why in News:** Recently, the government has increased the allocation for Sustainable and Inclusive Development of the Natural Rubber Sector by 23% to Rs 708.7 crore for the next two financial years and the scheme is run by the Rubber Board.
- **About Rubber Board:**
 - It is a **statutory organisation** constituted under the **Rubber Act, 1947**.
 - It functions under the administrative control of the **Ministry of Commerce and Industry**.
 - **Functions:**
 - It is responsible for the **development of the rubber industry** in the country by assisting and encouraging research, development, extension and training activities related to rubber.
 - It also maintains statistical data of rubber, takes steps to promote marketing of rubber and undertake labour welfare activities.
 - A crucial function of the Rubber Board is **issuing licences to rubber producers**, manufacturers, and exporters/traders. This licence, known as the "Rubber Board licence/registration," is mandatory for anyone involved in rubber manufacturing and export
 - **Structure:**
 - It is headed by a **Chairman appointed by the Central Government**.
 - It has 28 members representing various interests of the natural rubber industry.
 - The activities of the Board are exercised through Five Departments viz. General Services, Extension & Advisory Services, Research Services (rubber Research Institute of India), Training (Rubber Training Institute) & Finance.
 - **Headquarters:** Kottayam, Kerala.

Govt raises funding for development of natural rubber sector for two years

ENSECONOMICBUREAU
NEW DELHI, FEBRUARY 19

THE UNION government has increased the allocation sustainable development of the natural rubber sector scheme for the next two financial years (2024-26) by 23 per cent from Rs 576.41 crore to Rs 708.69 crore, a senior official said on Monday. This comes amid a shortfall in availability of natural rubber which has resulted in rising import of natural rubber from countries such as Vietnam, Malaysia and other Southeast Asian nations.

There are over 13 lakh rubber growers in the country with Kerala accounting for a major chunk of the production, which was 8.39 lakh tonnes in FY23. Consumption, however, during FY23 stood at 13.5 lakh tonnes.

Additional Secretary in the Commerce Ministry Amardeep

There are 13 lakh rubber growers in India with Kerala accounting for a major chunk of the production.

Singh Bhatia said that the funds will be used for supporting the plantation of rubber, generation of planting material, productivity enhancement, formation of rubber producers societies, and rubber research and training. "The outlay (has) increased by 23 per cent from Rs 576.41 crore to Rs 708.69 crore for the next two financial years," Bhatia told reporters. In traditional areas, including Kerala, Karnataka and Tamil Nadu, plantation of rubber will be undertaken on 12,000 hectares.

Bhatia said that the government is not considering any cut

in import duty on rubber as of now as the differential between the local and international prices is maintained.

The rate of assistance has been increased to Rs 40,000 per hectare from the previous Rs 25,000 per hectare, he said, adding that it will help to cover the increased cost of production as well as provide additional incentive to growers.

In non-traditional areas like Andhra Pradesh, Odisha and north-east states, 3,752 hectares will be brought under rubber cultivation during 2024-26. The scheme is implemented through the Rubber Board. Bhatia further said that an outlay of Rs 29 crore has been provided for the next two years for rubber research.

"This will aim at developing rubber clones suitable for different agro-climatic regions of the country to expand rubber cultivation to new areas," Bhatia said.

8. Centre's MSP Proposal

GS 3 (Agriculture)

- **Why in News:** The Centre had proposed to buy three pulses, maize and cotton from farmers at the minimum support price for five years. However, the farmers' groups reject Centre's MSP proposal.
- **What was the proposal?**
 - The Centre had offered that cooperative societies such as the **National Cooperative Consumers Federation** and the **National Agricultural Cooperative Marketing**

Centre's MSP proposal: Situation in pulses, cotton

There is a strong case for crop diversification in water-scarce Punjab. But production and procurement of pulses, cotton, and maize has been low in the state



Federation of India will buy **pulses** – arhar, tur and urad – and **maize** from the farmers at a minimum support price for the next five years.

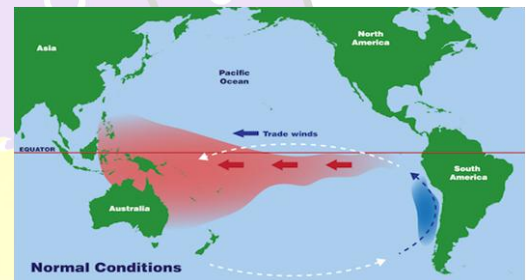
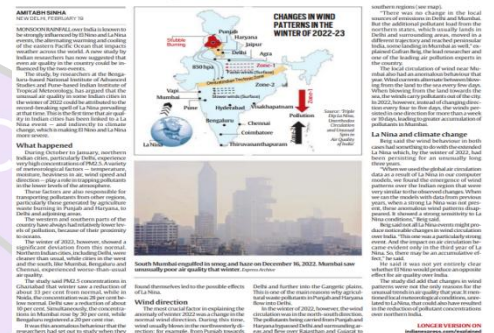
- It also proposed that the **Cotton Corporation of India** will buy cotton crops at minimum support price.
- What farmers are seeking?**
 - They are primarily seeking a **law** guaranteeing a **minimum support price** for agricultural commodities and the implementation of the **MS Swaminathan Commission Report's** wider recommendations on farming in India.

9. Impact of La Nina on Air Quality in India

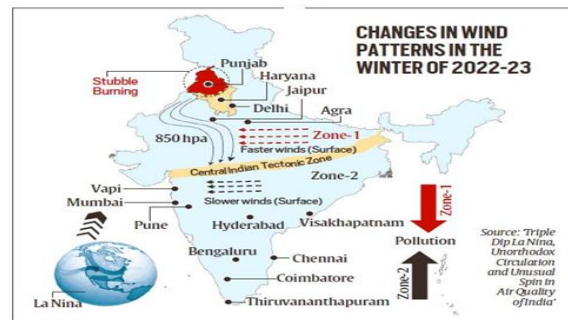
GS 1 (Geography)

- Why in News:**
 - According to a new study, an unprecedented La-Nina event, extended by climate change, triggered a peculiar trend in the 2022-23 winter season in India.
 - During the 3 consecutive years of La Niña (2020-23) - a rare **"triple-dip"** phenomenon - air quality improved in north India while peninsular India recorded an increase in pollution levels in the 2022-23 winter season.
- What are the Normal Climatic Conditions?**
 - In the Pacific Ocean**, near the equator, the Sun makes the water especially warm on the surface.
 - Normally**, a surface low pressure system forms in northern Australia and Indonesia and a high-pressure system develops off the coast of Peru.
 - As a result, the **trade winds blow strongly from east to west** over the Pacific Ocean, transporting warm surface waters westward.
 - This leads to convective storms (**thunderstorms**) to Indonesia and coastal Australia.
- What is El Nino and La Nina?**
 - El Nino and La Nina** are two opposing climate trends that deviate from the normal conditions and normally run nine to twelve months, but can often extend.
 - These events occur **every two to seven years on average** (El Nino is more frequent than La Nina), but not on a regular basis and together are referred to as the **El Nino-Southern Oscillation (ENSO)** cycle by scientists.
 - El Nino is typically known as the **warm phase** (a band of warmer water spreading from west to east in the equatorial Pacific Ocean) and La Nina is identified as the **cold phase** (a band of cooler water spreads east-west) of ENSO.
 - Both El Nino and La Nina can have global effects on **weather, wildfires, ecosystems and economics**.
- Findings of the New Study - Impact of La Nina on Air Quality in India:**
 - The study is conducted by** researchers at the National Institute of Advanced Studies (Bengaluru) and the Indian Institute of Tropical Meteorology (Pune).
 - Monsoon rainfall over India** is known to be strongly influenced by El Nino and La Nina events, the alternating warming and cooling of the eastern Pacific Ocean that impacts weather across the world.
 - According to the study, **this is the first time that air quality in Indian cities has been linked to a La Nina event** - and indirectly to **climate change**, which is making El Nino and La Nina more severe.
 - Normally**, northern Indian cities (particularly Delhi) experience very high concentrations of PM2.5 during October to January.
 - However, the winter of 2022 **showed a significant deviation from this normal**.
 - Northern Indian cities (including Delhi) were cleaner than usual, while cities in the west and the south, like **Mumbai, Bengaluru and Chennai**, experienced worse-than-usual air quality.
 - The study said PM2.5 concentrations in **Delhi saw a reduction of about 10%**. Simultaneously, the concentrations in **Mumbai rose by 30%, while Bengaluru registered a 20% rise**.
 - The researchers had set out to investigate this unusual behaviour when they discovered the potential effects of **La Nina**.

La Nina-air quality links in new study



- Not all La Nina events might produce noticeable changes in wind circulation over India, **but this one was a particularly strong event.**
- The impact on air circulation became evident only in the third year of La Nina. So, there may be an **accumulative effect.**
- **It was not yet entirely clear whether El Nino would produce an opposite effect for air quality over India.**



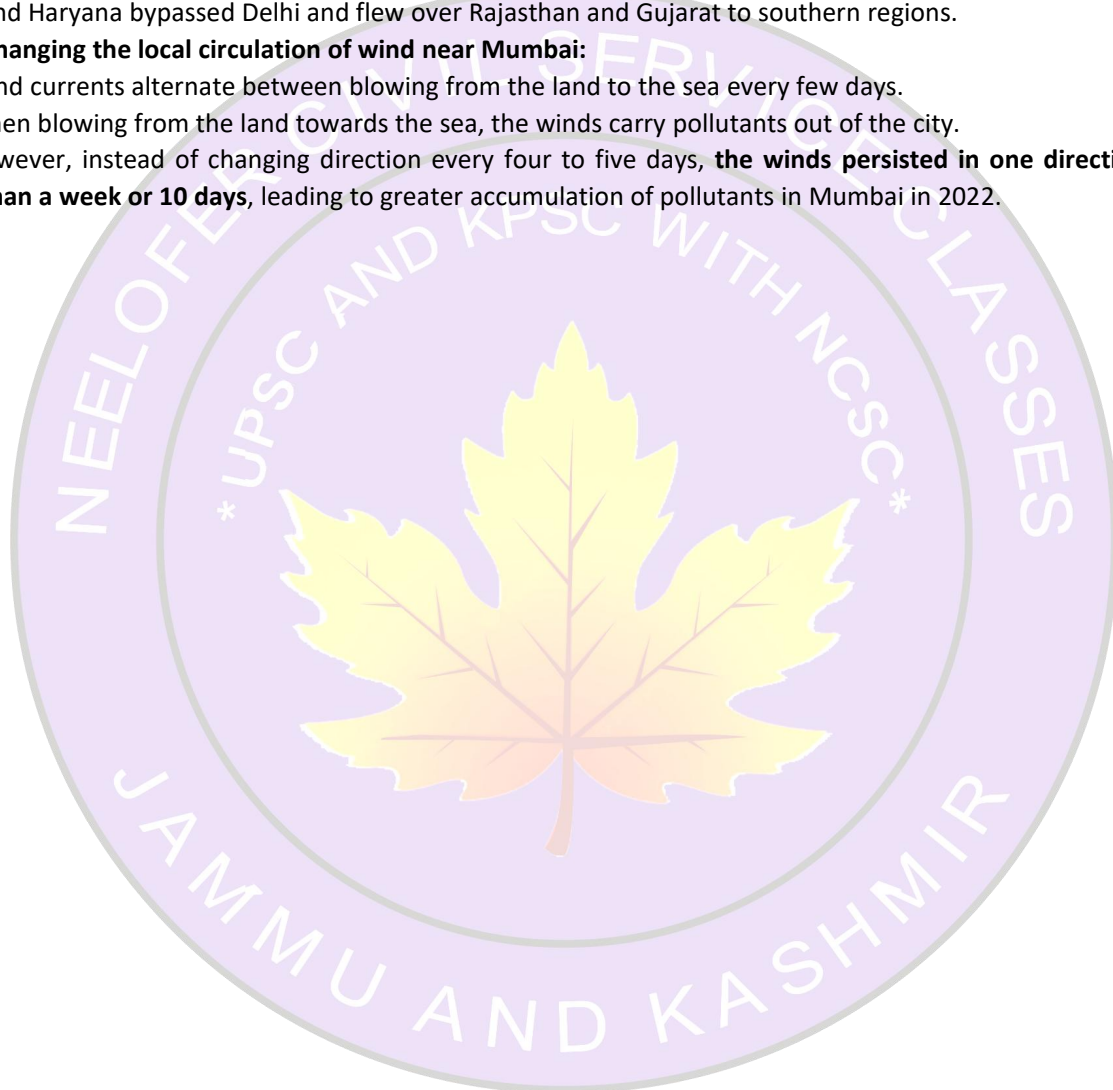
• **How La Nina Impacted Air Quality in India?**

○ **By changing wind direction:**

- During this time, wind usually blows in the **north-westerly direction**: for example, from Punjab towards Delhi and further into the Gangetic plains.
- This is one of the main reasons why agricultural waste pollutants in Punjab and Haryana flow into Delhi.
- However, the wind circulation was in the **north-south direction** in the winter of 2022. The pollutants from Punjab and Haryana bypassed Delhi and flew over Rajasthan and Gujarat to southern regions.

○ **By changing the local circulation of wind near Mumbai:**

- Wind currents alternate between blowing from the land to the sea every few days.
- When blowing from the land towards the sea, the winds carry pollutants out of the city.
- However, instead of changing direction every four to five days, **the winds persisted in one direction for more than a week or 10 days**, leading to greater accumulation of pollutants in Mumbai in 2022.



21st Feb, 2024

1. Maharashtra clears 10% Maratha quota bill

GS 2 (Governance)

- **Why in News:** The Maharashtra Legislature unanimously passed a bill **reserving 10% of the seats in educational institutions and the same proportion of government jobs for people from the Maratha community.**
- **Background**
 - This is the third such attempt by the state government to carve out a quota for the once-dominant agrarian community, after similar laws enacted in 2014 and 2019 were struck down by the courts.
 - The **2014 Maratha reservation law** provided a **16% quota in jobs and education**, but it was quashed by the Bombay high court.
 - The **2018 Maratha reservation** provided a similar quantum of reservation, which the Bombay HC brought down to 12% and 13% respectively. The quota was **quashed by the Supreme Court in May 2021.**
- **What is the Bill?**
 - **Bill:** Maharashtra State Reservation for Socially and Educationally Backward Classes Act 2024
 - In the bill passed by both houses of the state legislature, the Maharashtra government cited the findings of a report submitted by the **Maharashtra State Commission for Backward Classes (MSCBC)** as the basis for the reservation.
 - **Key-findings of the Report:**
 - Marathas account for 28% of Maharashtra's population, and are in an "exceptional circumstances and extraordinary condition" of backwardness, making it a fit case for reservation over the 50% ceiling mandated by the Supreme Court.
 - The 10% quota is over and above the existing 62% reservation in the state, which includes 10% for those belonging to economically weaker sections (EWS) and remaining 52% caste based quota
 - Based on these findings, the commission recommended that the **Maratha community** be notified as a **socially and educationally backward** class under **Article 342(C) and Article 366(26C)** of the constitution, indicating the need for a **separate social component** with different and independent percentages from the existing reserved castes.
 - **Article 342-C** of the Constitution empowers the state to list the backward communities as per the provisions of **Articles 15(4) and 16(4).**
 - The Bill outlines the provision of a 10-year review period after the implementation of the proposed reservation
- **Reservation Cap**
 - The **current percentage of reserved categories** in the state stands as follows (totaling 62 per cent):
 - SC – 13 per cent
 - ST – 7 per cent
 - OBC - 19 per cent
 - SBC - 2 per cent
 - VJ (A) - 3
 - Vimukta Castes, NT (B) - 2.5
 - Nomadic caste, NT (C) - 3.5
 - Nomadic tribes (Dhangars etc), NT (D) - 2

Maharashtra Assembly clears 10% Maratha quota

Shounmoli Banerjee
PUNE

Walking the caste tightrope ahead of the Lok Sabha election, Maharashtra Chief Minister Eknath Shinde and his Cabinet approved a Bill to provide a 10% quota for the Maratha community in education and government jobs, which was later passed unanimously by all parties during a special session of the Maharashtra legislature on Tuesday.

The "historic" legislation fulfilled his promise to create a "foolproof" Maratha quota within three months, Mr. Shinde said. However, activist Manoj Jangar-Patil, who has embarked on multiple hunger strikes on this issue, was unsatisfied with the new legislation, terming it a "betrayal" of the community. He is seeking a Maratha quota carved out from the existing reservation for other backward classes (OBCs), which is more likely to pass



Eknath Shinde, Devendra Fadnis and Rahul Narwekar celebrate the news outside the Vidhan Bhavan on Tuesday. (MANJUL YOGINI)

Supreme Court scrutiny. The Bill, passed by the Legislative Assembly and Council, is similar to the Socially and Educationally Backward Classes Act, 2018 of the government led by Devendra Fadnis, which was struck down by the top court in May 2021. In fact, this is the third time in the last decade that the State has introduced legislation for a Maratha quota.

While seeking to fulfil long-pending demands and aspirations of poorer sections of the Maratha

community, this Bill does not disturb the existing OBC quota. It will push total reservations in Maharashtra to 62%, above the Supreme Court-mandated limit of 50%. This Bill is distinct from the State government's earlier notification on issuing Kumbi OBC certificates to eligible Marathas who had records showing them as Kumbis. Thus, non-Kumbi Marathas will be covered under the legislation passed on Tuesday.

CONTINUED ON
PAGE 14

- Nomadic tribes (second category)
- EWS – 10 per cent
- The enactment of the **10 per cent Maratha quota** through this reservation bill will constitute **72 per cent of the total reservation**, exceeding the **50 per cent cap** in the state.

2. Having Panchayats as Self-Governing Institutions

GS 2 (Governance)

• Why in News:

- It has been three decades since the implementation of the **73rd and 74th Constitutional Amendments Acts**, which aimed to establish local bodies as institutions of local self-government.
- Today, the **status of devolution in India's Panchayati Raj institutions varies across states**. While some states have made significant progress, others lag behind.
- Thus, it is crucial to analyse the **fiscal devolution aspect**, emphasising the importance of state government commitment in making Panchayati Raj institutions effective at the grassroots level.

• The Current State of Fiscal Devolution and Own Source of Revenue

- **Reliance on External Funding**
 - The 73rd and 74th Constitutional Amendments Acts **emphasised fiscal devolution**, urging Panchayati Raj institutions and urban local bodies to be financially self-reliant.
 - These amendments specified the need for **local bodies to generate their own revenues** to reduce dependency on grants from higher tiers of government.
 - However, the current situation reveals that Panchayati Raj institutions are still heavily reliant on external funding, **with only 1% of their revenue derived from taxes**.
- **Panchayats Failure to Generate Own Income Through Taxation**
 - The data highlights the stark reality that **despite the constitutional provisions, Panchayats are not effectively leveraging taxation** as a primary source of income.
 - The data indicates that a **mere 1% of revenue is earned through taxes**, while a substantial **80% comes from the Central government** and 15% from the States.
 - This discrepancy raises questions about the commitment of state governments towards decentralisation and the overall success of the devolution initiatives undertaken over the past 30 years.
- **Centralisation of Financial Resources Despite Constitutional Emphasis on Fiscal Devolution**
 - Despite the constitutional emphasis on fiscal devolution, the **centralisation of financial resources remains a persistent challenge**.
 - Panchayats are expected to be self-governing entities with the authority to raise their revenue, but the reality presents a stark contrast.
 - The imbalance in revenue distribution reveals a **lack of fiscal empowerment** at the grassroots level, undermining the core principles of local self-government.
- **Government's Initiatives to Implement Constitutionally Mandated Fiscal Devolution**
 - **Formulation of an Expert Committee**
 - To address this issue, the **Ministry of Panchayati Raj established an expert committee to examine the own source of revenue (OSR)** of rural local bodies.
 - The committee's report outlines various revenue-generating mechanisms available to Panchayati Raj institutions through State Acts.
 - Some of these mechanisms are property tax, land revenue cess, stamp duty surcharge, tolls, professional tax, advertisement tax, and user charges for essential services such as water, sanitation, and lighting.
 - While these avenues exist, their effective implementation is crucial for Panchayats to become financially independent.
 - **Report's Emphasis on Effective Taxation Mechanism**
 - The report further emphasises the importance of establishing a conducive environment for taxation, encompassing decisions on tax and non-tax bases, the enactment of robust tax management and enforcement laws, etc.

Having panchayats as self-governing institutions



J.P. Bhat
is Minister, Ministry of Panchayati Raj

Three decades have passed since the 73rd and 74th Constitutional Amendments Acts came into effect, which envisaged that local bodies in India would function as institutions of local self-government. As a follow-up, the Ministry of Panchayati Raj was constituted in 2004 to coordinate rural local governments. When it comes to analysing the status of devolution, it is evident that some states have made significant progress, while others lag behind. The commitment of state governments towards decentralisation has been vital in making Panchayati Raj institutions an effective local government institution at the grassroots level.

The constitutional amendment has set forth specific details on local devolution which include the generation of own revenues. Envisaged from the Central Act, various States Panchayati Raj Acts have made provisions for taxation and collection. Based on the provisions of these Acts, panchayats have made efforts to generate their own revenues to the maximum extent. Participatory planning and budgeting were the end result of such interventions by the Ministry.

The Panchayats start only 7% of the revenue through taxes, with the rest being raised as grants from the State and Central governments. As a benchmark, the report highlighted that in February 5, 2024, it specifically points out that 90% of the revenue is from the Centre and 10% from the States. This is an eye-opener for the proponents of decentralisation as the result is that the revenue raised by panchayats is meagre even after 30 years of devolution initiatives.

Avenues for own source of revenue
The report of the expert committee constituted by the Ministry of Panchayati Raj on own source of revenue of rural local bodies elaborates on the details of State Acts that have incorporated tax and revenue revenue that can be collected and utilised by panchayats. Property tax, cess on land revenue, surcharge on additional stamp duty, tolls, tax on profession, advertisement, user charges for water and sanitation and lighting are the major CRAs where panchayats can start generating revenue. Panchayats are expected to establish a conducive environment for taxation by implementing appropriate financial regulations. This includes making decisions regarding the tax and non-tax bases, diversifying local taxes, establishing provisions for periodic revision, defining exemption areas, and ensuring effective tax management and enforcement laws.

The huge potential for non-tax revenue includes fees, cess, and income from investment and loans charges and receipts. There are also innovative projects that can generate CRAs. These include rural road business, health, innovative commercial ventures, renewable energy projects, carbon credits, Corporate Social Responsibility (CSR) funds and donations.

The role of gram sabhas
Gram sabhas have a significant role to play in the generation of own revenues. They have the authority to impose taxes, fees, and levies, oversee the local economy and development projects, public services, and social welfare programmes. Through transparent financial management and inclusive participation, gram sabhas ensure accountability and foster community spirit, ultimately empowering villages to become economically self-reliant and resilient.

Gram sabhas need to promote entrepreneurship, and foster partnerships with external stakeholders to enhance the effectiveness of revenue generation efforts.

In several states, gram panchayats lack the authority to collect taxes, while in numerous others, intermediate and district panchayats are not delegated the responsibility of tax collection. When gram panchayats collect 90% of own taxes, the intermediate panchayats collect 7% and the district panchayats a nominal amount of 3%.

There is a need to decentralise CRAs for the revenue from the gram sabhas to ensure regularity and the increase in the allocation of Central Finance Commission grants. Panchayats have the potential to generate own revenue. With the increase in the allocation of Central Finance Commission grants, panchayats can start generating their own revenue. The CRAs collected in 2023-24 were ₹22,075 lakh which decreased in 2023-24 to ₹12,300 lakh. The own tax collected for the same period was ₹2,35,000 lakh and ₹2,00,000 lakh. At the same time, panchayats were in competition to raise CRAs for their commitment to full basic needs. This has given a new place to dependency on grants allocated through central and state financial commissions. Some states have the policy of incentivisation by providing matching grants but which were poorly implemented. Panchayats also have no need of providing deferrals as they believe that CRAs have not been regarded as an income that is linked with panchayat finance.

Overcoming the dependency syndrome
Despite every enabling factor to raise revenue, panchayats continue to face impediments in resource mobilisation. The 'flexible culture' rampant in society is the cause for the dependency in paying taxes. Elected representatives feel that allowing taxes would alter their popularity adversely. Thus, the need is to have a need to educate elected representatives and the public on the significance of raising revenue to develop panchayats as self-governing institutions. Ultimately, the dependency syndrome for grants has to be eliminated and in the course, panchayats will be able to survive on their own resources. Panchayats can only achieve with a state of affairs where there are dedicated efforts in all tiers of governance, which includes overall the State and central level.

- This strategic approach is **aimed at empowering Panchayats to harness their full potential** for revenue generation.
- While taxation is a significant aspect of fiscal devolution, **the report also recognises the potential for non-tax revenue. This includes –**
 - Fees, rent, income from investment sales and hire charges,
 - **As well as income from innovative projects** such as rural business hubs, commercial ventures, renewable energy initiatives, carbon credits, CSR funds, and donations.
 - **Diversifying revenue sources can enhance the financial resilience** of Panchayati Raj institutions, making them less dependent on grants.
- **Challenges Faced by Panchayati Raj Institutions in Generating Their Own Revenue**
 - **The Freebie Culture**
 - This cultural phenomenon **stems an aversion to paying taxes, as individuals expect a range of services and benefits** without contributing to the financial sustenance of Panchayats.
 - The resistance to taxation emerges from a perception **that public services should be delivered without a direct financial burden** on the local population.
 - **Elected Representatives' Dilemma: Balancing Popularity and Fiscal Responsibility**
 - Elected representatives, who play a pivotal role in the functioning of Panchayati Raj institutions, face their own set of challenges.
 - **There is a palpable fear among these representatives that imposing taxes might adversely impact their popularity and electoral prospects.**
 - This fear often **translates into a reluctance to take bold steps** towards revenue generation.
 - **Overcoming this challenge requires targeted efforts to educate elected representatives about the long-term benefits of financial self-sufficiency** and the positive impact on local development initiatives.
 - **Dependency on Grants**
 - The dependency on grants is worsened by the **increased allocations from Central Finance Commissions (CFC).**
 - A comparative analysis reveals a substantial rise in grants allocated through the 14th and 15th CFCs, reaching ₹2,00,202 and ₹2,80,733 crore, respectively.
 - This **substantial inflow of grants has inadvertently led to a decline in the efforts to raise own source revenue.**
 - Panchayats, sustained by the increased financial support, **have gradually shifted their focus away from revenue generation**, fostering a culture of dependency on external funds.
 - **Decline in Tax Collection**
 - While tax collection was ₹3,12,075 lakh in 2018-19, it decreased to ₹2,71,386 lakh in 2021-2022.
 - This decline is worrisome, as it **reflects a reduced commitment to financial autonomy at the local level.**
 - **Non-tax revenue also witnessed a decline from ₹2,33,863 lakh to ₹2,09,864 lakh during the same period.**
 - These trends **underscore the need for a renewed focus on revenue generation** efforts and a shift away from dependency on grants.
- **Way Forward**
 - **Enhanced Role of Gram Sabhas**
 - Gram Sabhas **play a crucial role in fostering self-sufficiency and sustainable development** at the grassroots level.
 - **They can engage in planning, decision-making, and implementation of revenue-generating initiatives**, ensuring transparency and inclusive participation.
 - **They have the authority to impose taxes, fees, and levies**, directing the funds towards local development projects, public services, and social welfare programmes.
 - **Through transparent financial management and inclusive participation, gram sabhas ensure accountability and foster community trust**, ultimately empowering villages to become economically independent and resilient.
 - Thus, **gram Sabhas need to promote entrepreneurship, and foster partnerships** with external stakeholders to enhance the effectiveness of revenue generation efforts
 - **Overcoming the Dependency Syndrome**
 - To overcome the dependency syndrome and ensure self-sufficiency, **there is a need for concerted efforts at all levels of governance.**
 - **Elected representatives and the public must be educated** on the significance of raising revenue for the development of Panchayati Raj institutions.
 - Ultimately, **the dependency syndrome for grants has to be minimised** and in due course, panchayats will be able to survive on their own resources.
- **Conclusion**

- **The constitutional amendments set forth specific details on fiscal devolution**, emphasising the generation of own revenues by Panchayati Raj institutions.
- **Dedicated efforts at the state and central levels are essential for Panchayati Raj institutions to achieve financial independence** and truly function as self-governing entities.

3. WHO launches Global Initiative on Digital Health (GIDH)

GS 2 (Health)

- **Why in News:** Achieving one of the **three priority areas** agreed upon during **India's G20 presidency in 2023**, the **World Health Organization (WHO)** launched the **Global Initiative on Digital Health (GIDH)**.
- **What is Global Initiative on Digital Health (GIDH)?**
 - GIDH is a platform for sharing knowledge and digital products among countries.
 - The initiative will be a network of networks with four main components —
 - country needs tracker
 - country resource portal (a map of resources available in a country)
 - transformation toolbox that will share quality-assured digital tools
 - knowledge exchange
 - Through this evidence-based and comprehensive co-creation process, GIDH will ultimately aim to:
 - **ALIGN** efforts to support the Global Strategy on Digital Health 2020–2025;
 - **SUPPORT** quality assured technical assistance to develop and strengthen standards-based and interoperable systems aligned to global best practices, norms and standards;
 - **FACILITATE** the deliberate use of quality assured digital transformation tools that enable governments to manage their digital health transformation journey.
- **What is the importance of Digital Health?**
 - Digital health has the potential to prevent disease and lower healthcare costs, while helping patients monitor and manage chronic conditions.
 - It can also tailor medicine for individual patients.
 - Healthcare providers also can benefit from advances in digital health.
 - Digital tools give healthcare providers an extensive view of patient health by significantly increasing access to health data and giving patients greater control over their health.
 - The result is increased efficiency and improved medical outcomes.
- **What are the challenges of digital health?**
 - **Data interoperability:** Due to the massive amounts of data collected from a variety of systems that store and code data differently; data interoperability is an ongoing challenge.
 - **Additional challenges** relate to concerns ranging from
 - digital literacy among patients
 - unequal access to healthcare

WHO launches digital health platform agreed upon in India's G20 presidency

ANONNA DUTT
NEW DELHI, FEBRUARY 20

ACHIEVING ONE of the three priority areas agreed upon during India's G20 presidency in 2023, the World Health Organization (WHO) Tuesday launched the Global Initiative on Digital Health (GIDH) virtually, a platform for sharing knowledge and digital products among countries.

At the launch of GIDH, Union Health Minister Mansukh Mandaviya and India's representative to the UN Arindam Bagchi addressed the gathering.

The initiative will be a network of networks with four main components — country needs tracker, country resource portal (a map of resources available in a country),

transformation toolbox that will share quality-assured digital tools, and knowledge exchange.

Calling it a "momentous day", Mandaviya said, "we have achieved the vision of establishing an institutional framework for digital health. This was a key deliverable of India's G20 presidency that was agreed upon in the Gandhinagar meeting in the presence of Dr Tedros (WHO director-general). This is a testament to our shared goal of digital health."

He said the platform will help in democratising digital health technologies, especially for countries of the Global South. He also urged the new director of WHO-South East Asia Region Saima Wajid to champion the implementation of digital health. Mandaviya said the Ayushman Bharat

Digital Mission is working towards creating a seamless electronic health record system in India.

Bagchi said that the pandemic was a catalyst for digital transformation, with India tracking cases digitally along with managing the largest vaccination drive through its CoWIN platform. He said the platform allowed India to issue digital, verifiable vaccination certificates. He spoke about Ayushman Bharat Digital Mission creating safe health accounts for all and the teleconsultation platform eSanjeevani providing 140 million consultations so far.

WHO DG Dr Tedros Adhanom Ghebreyesus: "GIDH will support countries in three ways — by listening to their needs, by aligning resources to avoid fragmentation and overlap, and by providing

quality assured products. There is fragmentation and overlap because new tools are built without following common standards or shared vision. Health workers should not have to carry different devices for different diseases or have to maintain both electronic and physical records. We need systems that can speak to each other. Right now wheels are being re-invented because of poor knowledge sharing, sometimes within countries."

Tomas Lamanaukas, Deputy Secretary-General of International Telecommunication Union, said while nearly half the world's population might not have access to health services they need, nearly 30% have access to a 3G connection showing the potential for digital health.



- issues related to data storage, access, sharing and ownership
- **Significance of the initiative**
 - The platform will help in **democratising digital health technologies**, especially for countries of the **Global South**.
 - Digital health is a proven accelerator to advance health outcomes toward achieving Universal Health Coverage and the health-related **Sustainable Development Goals by 2030**.

4. **Buddha's relics**

GS 1 (Art and Culture)

- **Why in News:** Four of the **20 relics of Lord Buddha** preserved at the **National Museum** are being taken to Thailand for a month-long exposition.
- **About (Kapilvastu Relics)**
 - The relics at the National Museum are known as the '**Kapilvastu Relics**' as they were recovered in 1898 from a site in Bihar believed to be the **ancient city of Kapilvastu**.
 - It was an **inscribed casket** found at the stupa site in **Piprahwa (near Siddharthnagar in Uttar Pradesh)** that helped identify Kapilvastu.
 - The casket contained the **relics of Buddha and Sakya**, his community.
 - The relics fall under the 'AA' (rare) category of antiquities and art treasures.
- **Can they be lent for exhibitions?**
 - They are not meant to be lent for exhibitions, within India or in foreign nations.
 - But the exposition in Thailand was being held upon a "special request" by the Thai Government
- **What are Buddha relics?**
 - Simply put, they are the Buddha's cremated remains.
 - As per the Buddhist belief, at the age of 80 (486-483 BC), lord Buddha obtained salvation in **Kushinagar (Uttar Pradesh)**.
 - Lord Buddha was cremated as a universal king by the **Mallas of Kushinagar**.
 - His **funeral relics** were collected and divided into eight shares to be distributed among them
 - Ajathasatrus of Magadha
 - Vaishali's Licchavis
 - the Sakyas of Kapilvastu
 - Housing in Kushinagar
 - Alakappa Bullies
 - Mallas of Pava
 - the Colossians of Ramagrama once
 - Brahmana of Vethadipa
 - The purpose was to **place stupas on sacred relics**.
 - Other stupas appeared, one on top of the pipe where the remains were collected and the other on the coals.
 - The remains were later excavated by **Ashoka** - ruler of the **Maurya Dynasty**, who ruled almost the entire Indian subcontinent from c. 268 to 232 B.C.
 - He dispersed the remains and built stupas over them throughout his district.

Buddha's relics at National Museum to be on display in Thailand

DIVYAA
NEW DELHI, FEBRUARY 20

FOUR OF THE 20 relics of Lord Buddha preserved at the National Museum are being taken to Thailand for a month-long exposition beginning Thursday, in a rare trip abroad for the delicate antiquities recovered more than a century ago.

The relics fall under the 'AA' (rare) category of antiquities and art treasures and are not meant to be lent for exhibitions, within India or in foreign nations. But the exposition in Thailand was being held upon a "special request" by

the Thai Government, the Ministry of Culture said. Union Culture Secretary Govind Mohan told a press conference the relics will be ferried to Thailand as "state guests" in a special Indian Air Force plane. "The relics will reach Thailand on February 22 and will be displayed at a special pavilion in Bangkok until March 3," he said, adding that the relics will later be taken to Chiang Mai, Ubol Ratchathani and Koha, before returning to India on March 19.

The relics will be accompanied by a 22-member official delegation led by Bihar Governor Ragendra Vishwanath Acharya and



The pagoda constructed by the Thai government in Bangkok to enshrine the relics (top). Ministry of Culture

Union Minister of Social Justice and Empowerment, Virendra Kumar. Models from Kushinagar,

Aurangabad and Lalit, besides the curators from the National Museum, will also be travelling

along with the relics.

In view of the 'AA' category and considering their delicate nature, the relics are not ordinarily taken out of India for exhibition. The last time these were sent abroad was in 2022, for an exposition in Mongolia.

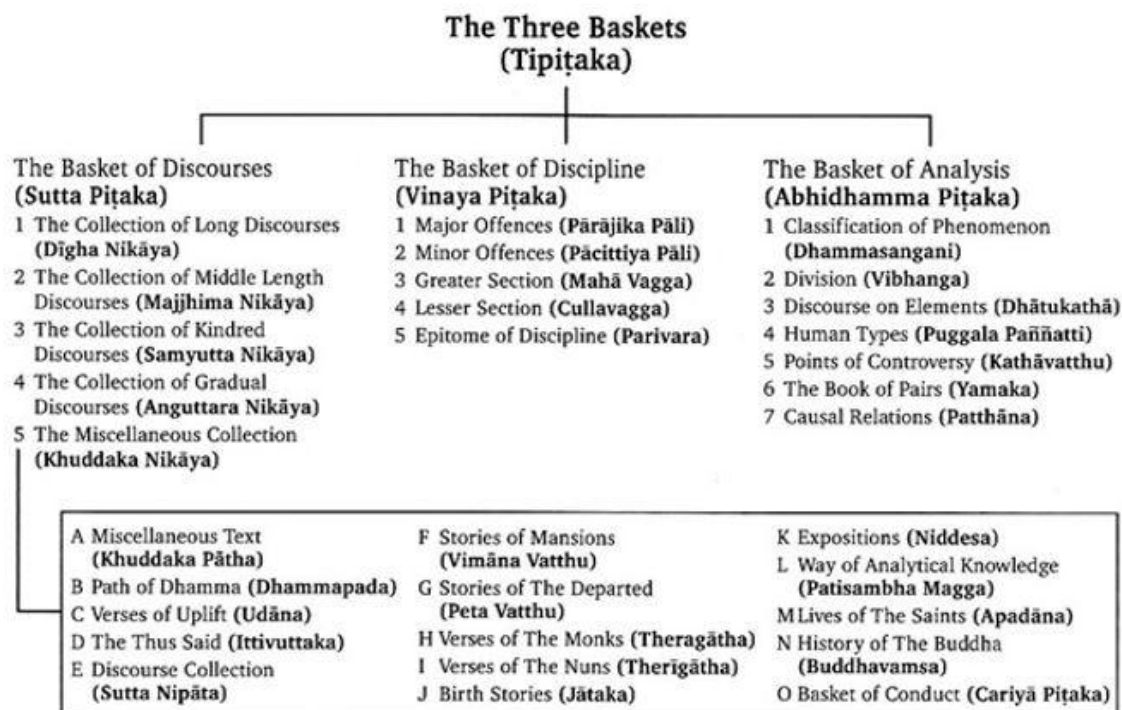
The relics at the National Museum are known as the 'Kapilvastu Relics' as they were recovered in 1898 from a site in Bihar believed to be the ancient city of Kapilvastu.

It was an inscribed casket found at the stupa site in Piprahwa (near Siddharthnagar in Uttar Pradesh) that helped identify Kapilvastu. The casket

contained the relics of Buddha and Sakya, his community. Along with the Buddha relics, the relics of his two disciples preserved in Madhya Pradesh's Sanchi are also being sent to Thailand for display. It will be the first time the relics of Lord Buddha and his disciples will be showcased together.

The event is being organised with the support of Ministry of External Affairs, the Indian Embassy in Thailand, the International Buddhist Conference and the Madhya Pradesh government. Exhibitions about Buddhist sites in India and relics by academicians will also be held on the sidelines.

- According to **Ashokavadana**, Ashoka had relics of Buddha placed on 84,000 stupas made up of Yakshas (usually gentle natural spirits).
- **Buddhism in India:**
 - Siddhartha Gautam, born in 563 BC, was part of the Sakya royal family that ruled from Kapilvastu, Lumbini. At the age of 29, Gautama left home and led a life of self-denial.
 - After 49 days of meditation, Gautama received enlightenment under a pipal tree at Bodhgaya in Bihar.
 - Buddha made his first sermon in the village of Sarnath, near the town of Benares in the UP. The event is known as the Dharma-Chakra-Pravartana (legal wheel revolution).
 - He died at the age of 80 in Kushinagara, a city in the UP. The event is known as Mahaparinibban.
- **The rules of Buddhism:**
 - **Middle Path:** Avoid both extremes of worldly pleasure and the practice of extreme self-The Buddha instead called the '**Madhyam Marg**' or the intermediate method to be followed.
 - **Four good truths:** Suffering (dukkha) is the backbone of the world, All suffering has a reason - Samudya, Suffering can end - Nirodha, Can be gained by following Atthanga Magga
 - **Eight-Way Ways:** Positive Views, Proper Objective, Proper Speech, Proper Action, Proper Health, Positive Thinking, Positive Effort, Positive Concentration
 - **Five Principles or Pancasil-** Violence, theft, sexual misconduct, lying or gossip, drunkenness
- **Major Buddhist texts:**
 - **Three pitakas:** Vinaya Pitaka (moral code), Sutta Pitaka (Dhamma Buddha): Divided into five Nicayas: Digha, Majjhima, Samyutta, Anguttara, Anguttara Khuddaka, Abhidhamma Pitaka (philosophical analysis)
 - Other important Buddhist texts include Divyavadana, Dipavamsa, Mahavamsa, Milind Panha etc.



- **Buddhist Schools:**

- **Mahayana:** literally means "Great Car". It believes in the heaven of the Buddha and the idolatrous worship of the Buddha and the Bodhisattvas including the Buddha Nature.

- **Hinayana:** A small car literally. It believes in the original teachings of the Buddha or the Doctrine of the Elders. He does not believe in idolatry and seeks to gain personal salvation through self-discipline and meditation.
- **Theravada:** is a Hinayana sect, founded in Sri Lanka and later spread throughout Southeast Asia.
- **Vajrayana:** means "Car of Thunder", also known as tantric Buddhism.
- **Zen:** It is a school of Mahayana Buddhism founded in China.

5. Article 142 - SC overturned Chandigarh mayoral poll results GS 2 (Governance)

Why in News:

- The Supreme Court has quashed the result of the January 30 elections for the post of Mayor of the Chandigarh Municipal Corporation.
 - The apex court declared the AAP-Congress candidate as the winner instead of the previously declared BJP candidate.
 - The top court held that the presiding officer intentionally defaced eight votes, that were for the alliance candidate, to invalidate them.
- In overturning the results, the Supreme Court invoked the sweeping powers conferred on the court under Article 142 of the Constitution.
- **Article 142 :**
 - **About**
 - Article 142 provides a unique power to the Supreme Court, **to do complete justice between the parties**, where at times law or statute may not provide a remedy.
 - In such instances, the Court can go beyond its usual limits to settle a dispute in a way that matches the specifics of the case.
 - **Powers of SC under this article**
 - The Art. 142 confers on the **Supreme Court plenary power to pass such decree or make such order as is necessary for doing complete justice.**
 - The SC can do so in any cause or matter pending before it.
 - Such orders of SC are **enforceable throughout the territory** of India as prescribed by any law made by Parliament or order of the President of India.
 - **Noticeable Use of Art. 142**
 - **Union Carbide Corporation v. Union of India**
 - 142 remained unnoticed till the SC gave its decision in **The Bhopal Gas Disaster Case.**
 - In this case, SC announced a settlement and stated that all civil proceedings wherever pending were concluded in terms of settlement.
 - It quashed all criminal proceedings arising out of the disaster.
 - In this case, the court ordered to award compensation to the victims and placed itself in a position above the Parliamentary laws.
 - **Babri Masjid Case**
 - The article was used in the Ram Janmabhoomi-Babri Masjid land dispute case and was instrumental in the handover of the disputed land to a trust to be formed by the union government.
 - **Manohar Lal Sharma v. Principal Secretary**
 - The Supreme Court can deal with exceptional circumstances interfering with the larger interest of the public in order to fabricate trust in the rule of law.
 - **Curative Petition – An Innovative use of Art 142**
 - The Supreme Court evolved the idea of curative petitions in the landmark judgment of **Rupa Ashok Hurra vs. Ashok Hurra.**
 - The five-judge bench observed that Article 142 of the Constitution empowers the Supreme Court to act in whatever manner they may deem fit to establish complete justice.

Art 142, why SC quashed Chandigarh mayoral election, why it matters

HINA ROTHAKIA
ANANT KUMAR SHINHA
CHANDIGARH, FEBRUARY 12

THE SUPREME COURT has quashed the result of the January 30 election for the Mayor of Chandigarh after finding that the presiding officer had tampered with the ballot papers. The court declared that the AAP-Congress candidate, Haryana Kumar, was the winner instead of the BJP candidate, Haryana Kumar. The court also ordered that the BJP candidate be disqualified from holding office for six months.

Why was this election important?
The powers of the Mayor of Chandigarh Municipal Corporation are limited to calling meetings and deciding the agenda. Through the corporation has a five-year term, the Mayor is elected for only one year. The post is reserved for women candidates for the first and fourth year of each corporation. The last election to the corporation was held in 2012. This year's election was held on January 30. The BJP had a clear advantage in the 35-member House. The BJP had 15 votes – half the members – and the AAP had 10 votes. The BJP's Haryana Kumar was the only candidate who had a clear lead in the polls. The BJP had a clear lead in the polls. The BJP had a clear lead in the polls.

What happened after the election?
After the election, the BJP candidate, Haryana Kumar, was declared the winner. However, the AAP-Congress candidate, Haryana Kumar, claimed that the presiding officer had tampered with the ballot papers. The court found that the presiding officer had indeed tampered with the ballot papers. The court declared that the AAP-Congress candidate was the winner. The court also ordered that the BJP candidate be disqualified from holding office for six months.

What was the reaction to the verdict?
The verdict was widely welcomed. The AAP-Congress alliance celebrated the victory. The BJP was disappointed. The court's decision was seen as a landmark case for the use of Article 142. The court's decision was seen as a landmark case for the use of Article 142.

- Therefore, to protect the substantive rights of the litigant, the Constitution Bench came up with the theory of a curative petition.
 - Curative petition will be entertained on strong grounds only e.g.
 - Violation of principles of natural justice.
 - Where the judge has a bias
 - It has to be certified by a senior advocate. If the bench finds that the petition is vexatious and without any merit it may impose exemplary costs on the petition.
- **Controversies**
 - **In R.S. Naik vs A. R. Antulay** – SC, using Art 142, transferred cases against Antulay pending before the special judge to the High Court.
 - **In Vinay Chandra Mishra case** – SC convicted Mishra for contempt of court.
 - It was not proper for SC as the **power to take disciplinary action is vested in the Bar Council under the Advocates Act.**
 - **Cancellation of Coal Block Allocation** - In 2014, the SC, using Art 142, cancelled the allocation of coal blocks granted from 1993 onwards.
 - It was the domain of executive.
- **Criticism**
 - **On the grounds of separation of power**
 - Unlike the legislature and the executive, the judiciary cannot be held accountable for its actions.
 - The power has been criticised on grounds of the separation of powers doctrine.
 - **Definition of complete justice**
 - It is further argued that the court has wide discretion due to the absence of a standard definition for the term complete justice.
 - Defining complete justice is a subjective exercise that differs in its interpretation from case to case.
- **Limitations on Art 142**
 - SC recognised that the power under Art 142 has certain limitations and fetters.
 - It held that while exercising power under this article:
 - The court should not ignore the substantive rights of a litigant under the existing law.
 - The power could not be used to supplant substantive law applicable to a case.
 - Express statutory provisions cannot be ignored.
 - It cannot exercise the jurisdiction in violation of the statute.
 - It clarified that no court has competence to issue a direction contrary to the law.
 - The courts are meant to enforce the rule of law and not to pass orders contrary to law.
 - In 2006, the apex court ruling by a five-judge Bench in ‘State of Karnataka vs Umadevi’ clarified that **complete justice under Article 142** means justice according to law and not sympathy.

6. Semiconductor manufacturing plant

GS 3 (Economy)

- **Why in News:** The resurgence of proposals for semiconductor fabrication facilities in India, with applications from the Tata Group and Tower Semiconductor, has reignited interest and hope in the country's semiconductor manufacturing sector.
- **Basics of Semiconductor industry**
 - The semiconductor industry has four main segments —
 - I. raw materials
 - II. Foundry
 - III. fabless design
 - IV. packaging
 - To be totally self-dependent in the semiconductor supply chain, India needs to master all four segments.

FINALLY A CHIP FABRICATION PLANT IN INDIA? THE PROGRESS SO FAR

SOURABHENDRA BARIK
NEW DELHI, FEBRUARY 23

UNION MINISTER of State for Electronics and IT Rajeev Chandrasekhar recently confirmed that Tata Group and Israeli chip company Tower Semiconductor have applied to set up foundries in the country.

If the proposals are cleared by the government's India Semiconductor Mission (ISM), it could pave the way for the country to finally have a fabrication plant after decades of failed attempts. Aside from boosting domestic job prospects, it will also offer India leverage in the international chip wars, so far shaped by China and the United States.

India is competing with some of its key allies — the US and Europe — to attract chipmakers, and is offering a 50 per cent capital expenditure subsidy to successful applicants at the central level under its \$10 billion incentive scheme. State governments can sweeten the deal further at their end.

Proposals on the table

India's chip incentive scheme broadly covers three aspects of the ecosystem — full-fledged foundries that can manufacture chips; packaging plants called ATP facilities; and assembly and testing projects called OATP facilities. So far, US-based Micron Technology has clearance for its proposal to set up a \$2.75-billion ATPMP plant in Gujarat.

In the foundry space, Chandrasekhar said the Tata Group and Tower Semiconductor have sent separate proposals. The Indian Express has earlier reported about Tower's proposal to set up a plant worth \$8 billion, where it aims to produce 65 nm, 40 nm and 28 nm chips. The Tata Group is understood to be partnering with Taiwan-based United Microelectronics Corporation (UMC) or the Singapore-based GlobalFoundries (GFS) for manufacturing (PMSC). Chandrasekhar said that the collective value of the proposals is \$2.2 billion.

In the OATP space, CIL Power and Industrial Solutions has said it has entered



India is competing with allies US and Europe to attract chipmakers.

into a joint venture (JV) agreement with Renesas Electronics America and Thailand-based Siam Electronics to set up a semiconductor assembly and testing plant in India. Kyocera Technology has also sent a proposal to set up an ATPMP plant.

The Tata Group is understood to have also applied for an ATPMP plant. Apart from this, ICL is heard to have partnered with Fincorn in its application for setting up a similar plant.

Earlier plans

A joint venture between Fincorn, best known as the manufacturer of IPHones, and Motorola to set up a \$10.5-billion chip plant came to an abrupt halt last year. Fincorn announced it was pulling out of the joint venture. While government sources maintain the two could apply separately, there has been no movement so far.

Tata's earlier application under the scheme to set up a \$2-billion plant in Karnataka in partnership with the international consortium ISMC. However, the plan got stuck due to the company's then impending merger with Intel. Last August, Intel cancelled its plan to acquire the semiconductor unit of Tata Steel.

There was a third proposal by Singapore-based K2S Venture, but it was not found up to the mark by the advisory committee of the government.

- One of the most important aspects of manufacturing advanced semiconductor chips is packaging and testing, also known as **Outsourced Semiconductor Assembly and Test** — an area currently dominated by China and Taiwan.
- **ATMP (Assembly, Test, Mark, and Pack) and OSAT** are good starting points for India.
- **“THE Chip”**
 - The **high-end semiconductor chips**, which are nowadays normally of the size of **20-30 microns**, are now being produced in the **smallest 7-micron size**.
 - **Micron size** can be compared to the size of thousands times less than the width of a human hair.
 - These tiny electronic components power devices ranging from **smartphones, computers, and televisions to medical equipment and automobiles**.
 - The production of these invisible chips requires a supply of uninterrupted electricity and water in its purest form
- **Challenges for India**
 - **Capital requirement:** The semiconductor industry is **extremely labour, technical and capital-intensive**, requiring several billions of dollars.
 - **Critical dependency on China:** Being a **Quad member**, India is engaged in talks with the **US, Japan and Australia** for together working in the field of semiconductor chips production and if leading advanced semiconductor countries wants to adopt India under its **China plus One strategy**, India needs to be in the **Chinese good books** also to get a regular uninterrupted supply of Gallium and Germanium.
 - **Alternatives:** To avoid **Chinese imports** for these critical raw materials supply, India and partner countries need to find alternate sources of Gallium and Germanium. Until then, India and other partner countries will be critically dependent on China.
 - **Late Entry:** India missed early opportunities to establish itself in the semiconductor industry. This delay has made it challenging to catch up with countries that started developing their semiconductor industries decades ago, such as Taiwan.
- **How India is attracting companies to establish semiconductor fabs?**
 - **Incentives:** India is offering an array of **financial and other incentives**, including infrastructure development and streamlined regulations, to attract global companies to establish semiconductor fabs in the country.
 - **Financial support (50%):** India will extend financial support equal to 50% of a fab construction project cost "to applicants who are found eligible and have the technology as well as capacity to execute such highly capital and resource intensive projects.
 - **Notable initiatives in this endeavor include the:**
 - I. National Policy on Electronics (NPE) 2019
 - II. Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing
 - III. Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs)
 - IV. Semicon India Programme
- **Significance of the move**
 - By promoting local manufacturing, India can reduce its dependence on imports and increase its ability to withstand global supply chain disruptions.

- The pandemic caused chip supply disruptions, which led to a global semiconductor shortage and a hike in prices.
- This can also generate employment opportunities and promote economic growth.
- **The Industrial Revolution 5.0** would not be here without the semiconductor chips.



22nd Feb, 2024

1. India, Greece agree to bolster ties

GS 2 (International Relations)

- **Why in News:** India and Greece agreed to bolster cooperation in areas ranging from defence manufacturing and trade to connectivity and to speedily finalise a migration and mobility pact as Prime Minister Narendra Modi held talks with his visiting Greek counterpart Kyriakos Mitsotakis.
- **Background**
 - **Strategic partnership:** Greek Prime Minister Kyriakos Mitsotakis is the first Greek premier to travel to India in 16 years, and his trip is a follow-up to Modi's visit to Athens last August, the first by an Indian premier in four decades.
 - At the time, the two sides upgraded their ties to a strategic partnership.
 - The recent discussions provided the two leaders an opportunity to assess the progress made since then.
- **Key-takeaways of the Talk**
 - **Defence:** The two sides agreed to link their defence industries.
 - **Range of sectors for collaboration:** The two sides identified new opportunities in **pharmaceuticals, agriculture, medical devices, technology, innovation and space** to give new energy to their cooperation.
 - They also discussed ways to boost cooperation in **shipping and connectivity**.
 - India welcomed Greece's "positive role" in the Indo-Pacific and its decision to join the **India-led Indo-Pacific Oceans Initiative (IPOI)**.
 - There was also agreement on cooperation in the **Eastern Mediterranean**, and Greece can become an important partner in the **India-Middle East-Europe Economic Corridor (IMEC)** launched during India's G20 presidency last year.
- **India-led Indo-Pacific Oceans Initiative (IPOI)**
 - It is an **open, non-treaty based initiative** for countries to work together for cooperative and collaborative solutions to common challenges in the region.
 - It extends the **"Security and Growth for All in the Region" (SAGAR)** initiative initiated in 2015 by the Indian government.
 - The Initiative is open to all the participating nations from the region.
- **India-Middle East-Europe Economic Corridor:**
 - In a bid to stimulate economic development through enhanced connectivity and economic integration, India, along with **other members of the G20**, has entered into a historic memorandum of understanding (MoU) to develop an India-Middle East-Europe economic corridor.
 - The project is a part of the **Partnership for Global Infrastructure Investment (PGII)** — a West-led initiative for **funding infrastructure projects** across the world.
 - **Objective:** The corridor aims to provide a reliable and cost-effective **ship-to-rail transit network** between **Asia, Middle East and Europe**.
 - **Proposals:** The corridor will comprise of **two separate corridors**,
 - **The Eastern corridor** - will connect India to the Arabian Gulf.

Let's proceed with IMEC despite Gaza war, says Greek PM

Mitsotakis inaugurates the annual Raisina Dialogue in Delhi; Greece and India discuss plans to strengthen ties in trade, defence and migration

Subhasini Halder
NEW DELHI

Despite the Israeli war in Gaza "destabilising" plans for the India-Middle East Economic Corridor (IMEC), India and Greece should persevere with the "peace project", said Greek Prime Minister Kyriakos Mitsotakis here. Mr. Mitsotakis, who discussed the project among other plans to strengthen ties in trade and migration with Prime Minister Narendra Modi during his visit to India, also inaugurated the annual Raisina Dialogue here on Wednesday.



Prime Minister Narendra Modi with his Greek counterpart Kyriakos Mitsotakis during the Raisina Dialogue in New Delhi. (PI)

"The war in Gaza and turmoil in the Middle East is undoubtedly destabilising but it does not undermine the powerful logic behind IMEC. Nor should it weaken our resolve to work towards realising it," Mr. Mitsotakis told a gathering of international delegates at the conference organised by the Ministry of External Affairs and the Observer Research Foundation (ORF), which included several foreign ministers, mainly from European countries. "Ground-breaking projects like IMEC hold great promise to supercharge connectivity between India, the growth economies of the Middle East and Europe. To India I say, Greece is your natural doorstep to Europe and beyond," he said, adding that as the country controlling the world's biggest merchant shipping fleet, Greece's geographical position makes it an obvious partner in the project.

During talks earlier in the day with Mr. Modi, Mr. Mitsotakis also discussed doubling trade with India, finalising a mobility and migration pact to regulate legal migration, as well as cooperating on co-production and co-development of military hardware. At a media event after the talks, Mr. Modi said Greece had decided to join the Indo-Pacific Oceans Initiative launched by India.

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PAGE 12

- **The Northern corridor**- will connect the Arabian Gulf to Europe.
- **Member Nations:** Apart from India, the other participants will include **Saudi Arabia, UAE, France, Germany, Italy, USA and the European Union.**
- **Why is Greece important for India?**
 - **Strategic location:** Greece's strategic location in the Mediterranean Sea makes it a major player in the **global shipping industry.**
 - The country's shipowners own roughly one-fifth of the world's shipping fleet and almost 60% of the European Union's fleet, according to the International Trade Administration, a US government agency.
 - **Strong play in IMEC:** The country is expected to be a key player in IMEC, which will help facilitate export of Indian goods to the European markets.
- **What has been decided for the likely future?**
 - **Migration and mobility pact:** The two sides decided to conclude the migration and mobility partnership agreement between the two countries as soon as possible. The mobility pact will be a key step towards strengthening cooperation on legal migration, fighting human trafficking and offering young Indians an opportunity to work in Greece.
 - **Doubling trade:** The discussion pushed for the two sides to double their trade – currently worth about \$2 billion – before the target year of 2030.

2. Cabinet approves amendment in FDI policy on Space Sector

GS 2 (Governance)

- **Why in News:** The Union Cabinet approved the amendment in **Foreign Direct Investment (FDI) policy** on space sector. Now, the satellites sub-sector has been divided into three different activities with defined limits for foreign investment in each such sector.
- **How Indian Space Policy 2023 focused on enhancing private partnership?**
 - The Indian Space Policy 2023 was notified as an overarching, composite and dynamic framework to implement the vision for unlocking India's potential in Space sector **through enhanced private participation.**
 - The said policy aims to:
 - augment space capabilities
 - develop a flourishing commercial presence in space
 - use space as a driver of technology development and derived benefits in allied areas
 - pursue international relations and create an ecosystem for effective implementation of space applications among all stakeholders
- **What are the recent changes made in the FDI Policy?**
 - As per the existing FDI policy, FDI is permitted in **establishment and operation of Satellites** through the **Government approval route**
 - In line with the vision and strategy under the **Indian Space Policy 2023**, the Union Cabinet has **eased the FDI policy on Space sector by prescribing liberalized FDI thresholds for various sub-sectors/activities.**
 - Under the amended FDI policy, **100% FDI is allowed in space sector.** The liberalized entry routes under the amended policy are aimed to attract potential investors to invest in Indian companies in space.
 - The entry route for the various activities under the amended policy are as follows:

Govt. approves 100% FDI in space sector

The Hindu Bureau
NEW DELHI

Prime Minister Narendra Modi-led Union Cabinet on Wednesday took a series of key decisions, which included the approval for amendments to the existing Foreign Direct Investment (FDI) policy on space sector. "Under the amended policy, 100% FDI is allowed in space sector. The liberalised entry routes...

are aimed to attract potential investors to invest in Indian companies in space," said Union Minister Anurag Thakur.

The amended policy extends the facility of up to 74% FDI under the automatic route for satellite manufacturing and operation, satellite data products and ground/user segment.

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- **Upto 74% under Automatic route:** Satellites-Manufacturing & Operation, Satellite Data Products and Ground Segment & User Segment. Beyond 74% these activities are under government route.
- **Upto 49% under Automatic route:** Launch Vehicles and associated systems or subsystems, Creation of Spaceports for launching and receiving Spacecraft. Beyond 49% these activities are under government route.
- **Upto 100% under Automatic route:** Manufacturing of components and systems/ sub-systems for satellites, ground segment and user segment.
- **What are the benefits of this amendment?**
 - **Multiple benefits:** This increased private sector participation would help to
 - generate employment
 - enable modern technology absorption
 - **Integration into global chain:** It is expected to integrate Indian companies into global value chains.
 - **Self-reliant sector:** With this, companies will be able to set up their manufacturing facilities within the country duly encouraging 'Make In India (MII)' and 'Atmanirbhar Bharat' initiatives of the Government.

3. Financial Devolution Among States

GS 2 (Governance)

- **Why in News:**
 - Recently various Opposition-ruled States especially from South India have claimed that they have not been receiving their fair share as per the present scheme of financial devolution.
 - They have raised issues about their less than proportionate share of receipt in tax revenue when compared to their contribution towards tax collection.
- **What is Divisible Pool of Taxes?**
 - **Article 270** of the Constitution provides for the scheme of distribution of net tax proceeds collected by the Union government between the Centre and the States.
 - The taxes that are shared between the Centre and the States include corporation tax, personal income tax, Central GST, the Centre's share of the Integrated Goods and Services Tax (IGST) etc.
 - This division is based on the recommendation of the **Finance Commission (FC)** that is constituted every five years as per the terms of **Article 280**.
 - Apart from the share of taxes, States are also provided grants-in-aid as per the recommendation of the FC.
 - The divisible pool, however, does not include cess and surcharge that are levied by the Centre.
- **How is the Finance Commission Constituted?**
 - The FC is constituted every five years and is a body that is exclusively constituted by the Union Government.
 - It consists of a chairman and four other members who are appointed by the President.
 - The **Finance Commission (Miscellaneous Provisions) Act, 1951**, has specified the qualifications for chairman and other members of the commission.
 - The Union government has notified the constitution of the **16th Finance Commission under the chairmanship of Dr. Arvind Panagariya** for making its recommendations for the period of **2026-31**.
- **What is the Basis for Allocation?**
 - The share of States from the divisible pool (vertical devolution) stands at **41% as per the recommendation of the 15th FC**.
 - The distribution among the States (horizontal devolution) is based on various criteria.
 - The table below lists the criteria for horizontal devolution among the States from the 11th to 15th FC.

On financial devolution among States

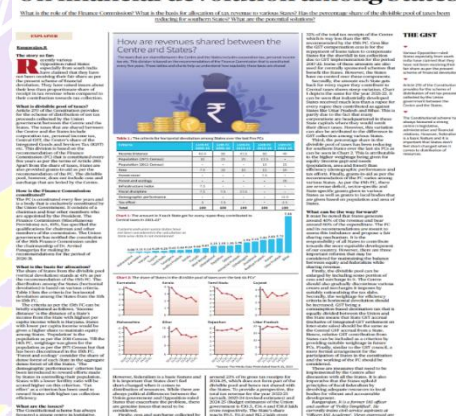
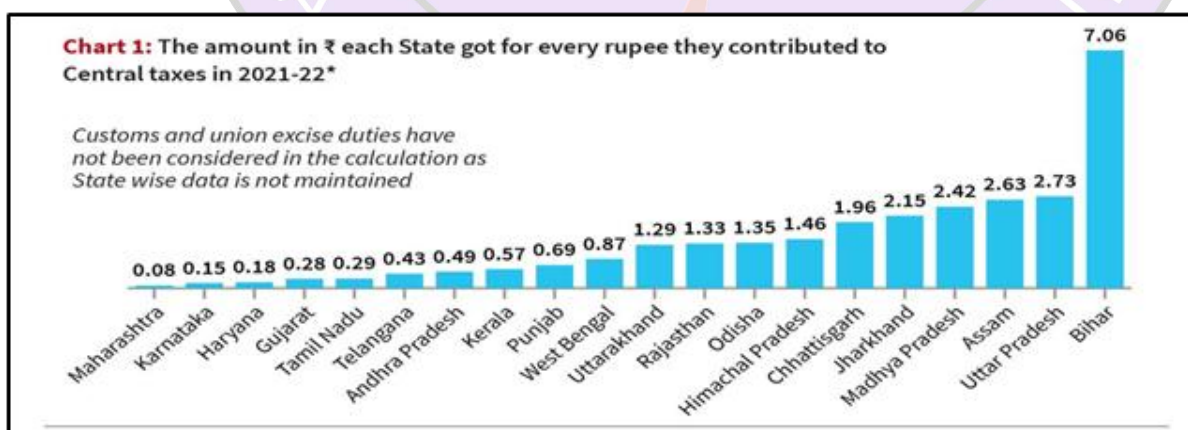


Table 1 : The criteria for horizontal devolution among States over the last five FCs

Criteria	11th FC 2000-05	12th FC 2005-10	13th FC 2010-15	14th FC 2015-20	15th FC 2021-26
Income Distance	62.5	50	47.5	50	45
Population (1971 Census)	10	25	25	17.5	-
Population (2011 Census)	-	-	-	10	15
Area	7.5	10	10	15	15
Forest cover	-	-	-	7.5	-
Forest and ecology	-	-	-	-	10
Infrastructure index	7.5	-	-	-	-
Fiscal discipline	7.5	7.5	17.5	-	-
Demographic performance	-	-	-	-	12.5
Tax effort	5	7.5	-	-	2.5
Total	100	100	100	100	100

- The criteria as per the 15th FC can be briefly explained as follows.
 - '**Income distance**' is the distance of a State's from the State with highest per capita income which is Haryana.
 - States with lower per capita income would be given a higher share to maintain equity among States.**
 - '**Population**' is the population as per the 2011 Census.
 - Till the 14th FC, weightage was given for the population as per the 1971 Census but that has been discontinued in the 15th FC.
 - '**Forest and ecology**' consider the share of dense forest of each State in the aggregate dense forest of all the States.
 - '**Demographic performance**' criterion has been introduced to reward efforts made by States in controlling their population.
 - States with a lower fertility ratio will be scored higher on this criterion.
 - '**Tax effort**' as a criterion has been used to reward States with higher tax collection efficiency.
- Challenges/Issues in the Devolution of Taxes:**
 - Firstly**, cess and surcharge collected by the Union government is estimated at around 23% of its gross tax receipts for 2024-25.
 - This does not form part of the divisible pool and hence not shared with the States.
 - Secondly**, the amount each State gets back for every rupee they contribute to Central taxes shows steep variation.
 - Industrially developed States received much less than a rupee for every rupee they contributed as against States like Uttar Pradesh and Bihar.
 - This is partly due to the fact that many corporations are headquartered in these State capitals where they would remit their direct taxes.



- Thirdly**, the percentage share in the divisible pool of taxes has been reducing for southern States over the last six FCs.
 - This is attributable to the higher weightage being given for equity (income gap) and needs (population, area and forest) than efficiency (demographic performance and tax effort).
- Finally**, grants-in-aid as per the recommendation of the FC varies among various States.
 - As per the 15th FC, there are revenue deficit, sector-specific and State-specific grants given to various States as well as grants to local bodies that are given based on population and area of States.

- It must be noted that States generate around 40% of the revenue and bear around 60% of the expenditure.
- The FC and its recommendations are meant to assess this imbalance and propose a fair sharing mechanism.
- It is the responsibility of all States to contribute towards the more equitable development of our country.
- However, there are **three important reforms that may be considered for maintaining the balance between equity and federalism** while sharing revenue.
 - **First**, the divisible pool can be enlarged by including some portion of cess and surcharge in it.
 - The Centre should also gradually discontinue various cess and surcharges it imposes by suitably rationalising the tax slabs.
 - **Second**, the weightage for efficiency criteria in horizontal devolution should be increased.
 - State GST accrual (inclusive of Integrated GST settlement on inter-state sales) should be the same as the Central GST accrual from a State.
 - Hence, relative GST contribution from States can be included as a criterion by providing suitable weightage in future FCs.
 - **Third**, similar to the GST council, a more formal arrangement for the participation of States in the constitution and the working of the FC should be considered.
- These are measures that need to be implemented by the Centre after discussion with all the States.
- It is also imperative that the **States uphold principles of fiscal federalism by devolving adequate resources to local bodies for vibrant and accountable development.**

- **I.C. Golak Nath v. State of Punjab (1967):** Parliament cannot curtail fundamental rights.
 - The petitioners challenged the Constitution (17th) Amendment Act 1964 as it amended Article 31A of the constitution. Fali Nariman appeared on behalf of the petitioners.
 - A majority of 6 out of the 11-judge bench held that **Article 13(2) states that Parliament cannot make a law which infringe fundamental rights.**
- **The Second Judges Case:**
 - **In 1981**, the constitution bench of the SC held that the requirement under **Article 124** of the Constitution, stating that the CJI must be “consulted”, means that there must be an exchange of views.
 - Hence, there is **no necessity for “concurrence”** between the CJI and the President.
 - **This decision was challenged in 1987** and Nariman (representing the case) argued the advice given through consultation with the CJI must be seen as



- **This is to protect the independence of the judiciary**, as judges would be in a better position to determine the suitability and competence of candidates.
- **The Third Judges Case:** Nariman made submissions to assist the court in this case.
 - The President of India exercised his power under **Article 143** of the Constitution and asked (SC) for clarification on the procedure for appointment of judges following the 2nd judges case.
 - In **1998**, the court clarified that the CJI **must consult** other judges of the SC before making any recommendations for judicial appointments.
 - Further, it expanded the size of the **SC Collegium** to five senior most judges from the existing three.
- **National Judicial Appointments Commission (NJAC) case:**
 - The NJAC Act 2014 amended the Constitution to insert **Article 124A** which created a **six-person commission** for judicial appointments.
 - Nariman represented the case challenging NJAC and argued that the NJAC would **impinge upon the independence of the judiciary**.
 - Four of the five judges on the bench agreed with this view in **2015** and struck down the NJAC, reinstating the collegium system for judge appointments.
- **Other Renowned Cases of Fali S Nariman:**
 - **Bhopal gas tragedy (Union Carbide Corporation v. Union of India) case 1989:**
 - Senior Advocate Nariman appeared, representing Union Carbide, and **offered to pay a sum of 426 million dollars as compensation** to the victims of the tragedy.
 - In 1989, Union Carbide reached a settlement with the central government and agreed to pay 470 million dollars as compensation.
 - **TMA Pai Foundation v. State of Karnataka (2003):**
 - Nariman argued in the landmark case in **support of minority rights to establish and administer educational institutions under Article 30(1)** of the Constitution.
 - The court held that **linguistic and religious minorities have to be determined on a state-by-state basis** and clarified that government regulations cannot “destroy the minority character of the institution”.
 - **Nabam Rebia and Bamang Felix v. Deputy Speaker (2016):** Governor to act only upon the aid and advice of the council of ministers, CM.
 - While navigating the political crisis in Arunachal Pradesh, Nariman (on behalf of the house whip Bamang Felix) argued that **the governor did not have the power to advance the assembly session**.
 - This could only be done upon the aid and advice of the council of ministers and the CM, as per the constitution.
 - The court agreed and restored the Congress government, led by CM Nabam Tuki.
 - **Cauvery Water Dispute (State of Karnataka v State of Tamil Nadu) case:**
 - Nariman represented Karnataka for over 30 years in the water-sharing dispute with Tamil Nadu.
 - In the final judgment passed in **2018**, the court took note of Narimans stand and reduced Karnataka’s annual water releases to 177.25 thousand million cubic feet (TMC) from 192 TMC.

FM asks financial sector regulators to take more steps to curb unauthorised lending via apps

ENSECONOMIC BUREAU
NEW DELHI, FEBRUARY 21

UNION FINANCE minister Nirmala Sitharaman on Wednesday stressed the need to take more steps to check the spread of unauthorised lending through online apps. Chairing the meeting of the Financial Stability and Development Council (FSDC) that comprises financial-sector regulators including the RBI and Sebi, the minister has also urged them to formulate a strategy to simplify and completely digitalise the know-your-customer (KYC) process in the financial sector, with the larger objective of greater financial inclusion.

The move come in the wake of the concerns over violation of KYC compliance by Fintech firms, and the restrictions imposed by the RBI on Paytm Payment Bank (PPB). According to an official statement issued after the FSDC meeting, the council also resolved to proactively detect emerging financial stability risks and take necessary measures to maintain the resilience of the sector. The Council also decided to kick-start fund-raising by social enterprises through social stock exchanges. Sitharaman will be meeting heads of prominent Fintech firms including payment apps and loan apps on Monday with a view to



Finance Minister Nirmala Sitharaman chairs 28th meeting of FSDC in New Delhi. @VishalMishra

addressing their concerns in the aftermath of curbs imposed by the RBI on PPB for regulatory violations and urge them to comply with regulations, sources said.

Frauds by loan apps have also become a big headache for the government. A list of 442 loan apps provided by RBI through the ministry of electronics and information Technology (MeitY) has been given to Google for white-listing. Based on that Google reviewed 3,500 loan apps and removed around 2,200 digital lending apps (DLAs) from its Play Store. The FSDC considered the domestic and global macro-financial situation and emphasised that the members need to maintain constant vigilance and continue their proactive efforts towards detecting emerging financial stability risks and taking the necessary

measures to maintain the resilience of the financial sector,” according to the statement.

Finance Ministry economists recently cautioned that policy-makers need to keep a watch on global headwinds emanating from geopolitical tensions and volatility in international financial markets. The Council will focus on strengthening inter-regulatory co-ordination in the financial sector to support inclusive economic growth.

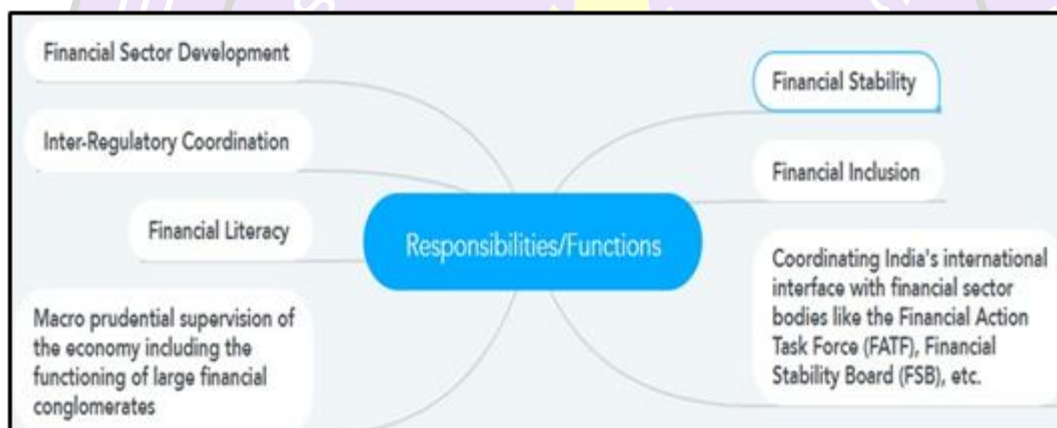
Social stock exchanges, which were proposed in the 2019-20 budget, are trading platforms that allow social businesses and non-profits to raise capital by attracting ethical investors willing to invest in organisations that have a dual corporate and social mission. The scheme is yet to take off in a meaningful way in India. FE

5. Unauthorised online lending apps high on FSDC scanner

GS 2 (Governance)

- **Why in News:** Addressing the 28th meeting of the Financial Stability and Development Council (FSDC), Finance Minister asked financial sector regulators to take further measures to check spread of unauthorised lending through online apps.
- **Financial Stability and Development Council (FSDC):**
 - **About:**
 - It is an apex-level body constituted by the Government of India (**not a statutory body**) in **2010**.

- It has been established under the Financial Stability Division of the Department of Economic Affairs (DEA), Ministry of Finance.
- **Background:**
 - Following the global financial crisis of 2008, governments and organisations all over the world were under pressure to regulate their economic assets.
 - In 2008, the **Raghuram Rajan Committee** first advocated the creation of a super regulatory autonomous entity to deal with macro prudential and financial irregularities in India's entire financial system in 2008.
 - As a result, the FSDC is considered as India's endeavour to better prepare for future events.
- **Composition:**
 - **Chairperson:** The Union Finance Minister of India. The Chairperson may invite any person whose presence is deemed necessary for any of its meetings.
 - **Members:**
 - Governor Reserve Bank of India (RBI),
 - Finance Secretary and/or Secretary, Department of Economic Affairs (DEA),
 - Secretary, Department of Financial Services (DFS),
 - Secretary, Ministry of Corporate Affairs,
 - Secretary, Ministry of Electronics and Information Technology,
 - Chief Economic Advisor, Ministry of Finance,
 - Chairmen of regulatory bodies like Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA), Pension Fund Regulatory and Development Authority (PFRDA), Insolvency and Bankruptcy Board of India (IBBI).
 - **Secretary of the Council:** Additional Secretary, DEA, Ministry of Finance.
- **Responsibilities or functions:** There are **no funds** set aside for the council to carry out its duties.



- **Concern and way ahead:**
 - Because FSDC is led by the Union Finance Minister, the authority of the RBI and other regulators is feared to be jeopardised.
 - As a result, the autonomy of sectoral regulators must be safeguarded and functional guidelines must be designed to handle this issue.
- **What is Digital Lending?**
 - Digital lending is the process of availing credit online.
 - It involves lending through web platforms or mobile apps, utilising technology in customer acquisition, credit assessment, loan approval, disbursement, recovery and associated customer service.
 - Its increased popularity amongst new-age lenders can be attributed to expanding smartphone penetration, credit range flexibility and speedy online transactions.
 - It includes products like Buy Now, Pay Later (BNPL), which is a financing option (or simply a short-term loan product).
 - BNPL allows one to buy a product or avail a service without having to worry about paying for it immediately.
- **Need to regulate digital lending**
 - **Illegal lending apps in India**
 - A report by the RBI, published in 2022, says that India has the maximum number of digital loan apps in the world.

- The report has marked 600 loan apps illegal and said that the central bank.
- **Low-income and financial unsavvy Indians are the targets**
 - These apps mostly lend small sums between Rs 2,000 and Rs 10,000, targeting low-income and financial unsavvy Indians.
 - These loans come with huge interest rates and extortionate terms and conditions, to which borrowers have no recourse.
 - This increases the vulnerabilities of these borrowers by exploiting the unmet need for credit.
- **Harassment by recovery agents**
 - Such apps are dangerous as the harassment by recovery agents have driven many to suicide in the recent past.
 - In 2021, at least six people committed suicide in Hyderabad alone due to harassment by agents.
- **Breach of privacy**
 - With just one tap, borrowers allow these lenders to access everything on their phone. The lender also get access to information such as PAN and Aadhar details.
 - The apps, on the pretext of advancing a loan, obtain all information from the customers' phones which could later be used by the company to perpetrate some other financial crime.
- **Acts as a tool for money laundering**
 - More than a hundred apps related to loans, betting and dating successfully collected thousands of crores in revenue and repatriated them to China.
 - This was revealed an investigation conducted by the Enforcement Directorate (ED).
- **Steps taken by to regulate digital lending**
 - **RBI has been designated as the nodal department** for dealing with complaints against unauthorised digital lending platforms as well as mobile apps.
 - In August 2022, **RBI issued the first set of guidelines for digital lending** in order to combat illegal activities by certain players.
 - These guidelines were issued in response to the recommendation of the Working Group on Digital Lending (WGDL).
 - In September 2023, Union Finance Minister chaired a meeting with appropriate officials and launched a **multi-agency crackdown on illegal loan apps**.
 - To curb the menace of illegal loan apps, the **RBI has been asked to prepare a 'whitelist' of legal loan apps**.
 - At the same time, MEITY has been tasked with ensuring only such legal applications (list prepared by RBI) are available on app stores.
 - The RBI has been **entrusted to ensure that the registration of payment aggregators** be completed within a time frame.
 - A payment aggregator acts as a third party responsible for managing and processing merchants' online transactions.
 - The RBI has also been entrusted with monitoring 'mule or rented' accounts that may be used for money laundering.
 - RBI has further been asked to review and cancel dormant non-banking finance companies (NBFCs) to avoid their misuse by such app operators.
 - The government in December 2023 informed Parliament that Google has suspended or removed over 2,500 fraudulent loan apps from its Play Store between April 2021 and July 2022.
- **News Summary:**
 - FSDC, chaired by Finance Minister Nirmala Sitharaman, discussed the issue of unauthorised online lending apps' operations.
 - The FSDC deliberated on issues related to macro financial stability and India's preparedness to deal with them.
 - During this, the FM asked the regulators (including the RBI) to take further measures to check spread of unauthorised lending through online apps.
 - She also asked regulators to maintain constant vigil and be proactive towards detecting emerging financial stability risks, given the domestic and global macro-financial situation.

23rd Feb, 2024

1. India to open diplomatic mission in Albanian capital

GS 2 (International Relations)

- **Why in News:** Albania is planning to open an Embassy in New Delhi while India will soon have a diplomatic mission in Tirana.
- **India and Albania**
 - India and Albania established diplomatic relations in 1956.
 - Albania is at the crossroads between the European Union and East. Albania is a part of many corridors that link India with the **European Union**.
 - Albania's neighbour Greece is keen to join the **India Middle-East Economic Corridor (IMEC)** and become India's gateway to the European market.
 - **Indian companies** are represented in the manufacturing sector in Albania, primarily in clothing.
 - **Tourism** remains a major driver of the country's economy. It received over 10 million tourists in 2023, more than four times its national population. Of this, Indian tourists constituted 50,000 visitors.

India to open diplomatic mission in Albanian capital

Kallol Bhattacharjee

NEW DELHI

Albania's Foreign Minister Edi Rama said on Thursday that Albania is planning to open an Embassy in New Delhi while India will soon have a diplomatic mission in Tirana.

Mr. Rama, who is visiting India to participate in the annual Rabita Dialogue, presented his country as an important location on the 'corridor' that connects Europe with the Asia and urged closer trade ties between the two countries.

"I am glad to know the plans of the Indian government to open a representation in Tirana and we are all planning to open an Embassy very soon in New Delhi," Mr. Rama said in a statement to the media.

Mr. Rama's visit to Delhi coincided with the visit of Greek Prime Minister Kyriakos Mitsotakis who is on a state visit to India. He said the India Middle East Economic Corridor should be pursued despite the ongoing conflict in Gaza. With



Albania's Foreign Minister Edi Rama attends a press conference at the Rabita Dialogue 2024, in New Delhi, on Thursday. (PI)

around 500 km of coastline, Albania is a northern neighbour of Greece and is evidently trying to get onto the connectivity projects bridging India and the European continent.

"Albania is at the crossroads between the European Union and East. Albania is a part of many corridors that link India with the European Union. With Albania becoming one of the fastest growing European economies, we are rapidly moving to foster stronger economic ties with India," said Mr. Rama.

He mentioned that in 2023, more than 10 million tourists visited Albania, adding, "It is of utmost importance that this momentum between Albania and India is not only preserved but also enhanced."

Albania is presently represented by named architect Diklat Kulegja who was appointed as the Honorary Consul General of Albania last year.

Mr. Kulegja said the Albanian language is linked to Sanskrit and the two sides have "many cultural, linguistic, and historical ties."

2. Milk production grew 60% in last decade

GS 3 (Economy)

- **Why in News:** In a divergence from global trends, India's dairy sector experiences a robust 6% growth, propelled by the substantial contribution of the Gujarat Cooperative Milk Marketing Federation (Amul), as highlighted by Prime Minister Narendra Modi.
- **More on the news**
 - Prime Minister Narendra Modi inaugurated five projects worth Rs 1,200 crore at the **Golden Jubilee celebration of Gujarat Cooperative Milk Marketing Federation (GCMMF)**, which runs the brand Amul.
 - PM Modi highlighted Gujarat's contribution to India's dairy sector, highlighting the double-engine government and the double-engine milk production in the state.
- **The numbers**
 - India has the world's largest bovine population and is a leader in milk production.
 - In the past 10 years, the milk production in India has gone up by around 60% and the per person availability of milk has grown by around 40%.
 - At a time when the global dairy sector is growing merely at a rate of 2%, India's dairy sector is growing at a rate of 6%.
 - In the last 2 decades, the number of milk corporations in the state has doubled from 12 to 23.
 - **Women participation:** More than 36 lakh people are connected with the dairy industry, including 11 lakh women. Out of the 16,384 milk houses, 3300 are completely run by women.
 - **State-wise production:**
 - Uttar Pradesh contributed the highest share of milk production at 15.7%, followed by Rajasthan (14.44%), Madhya Pradesh (8.73 %), Gujarat (7.49 %) and Andhra Pradesh (6.70 %).
 - The highest annual growth rate was recorded by Karnataka (8.76%) followed by West Bengal (8.65%) and Uttar Pradesh (6.99%).
- **Challenges faced in dairy farming in India**
 - Low milk-yield per animal

Make Amul world's largest dairy brand, Modi tells farmers

The Hindu Bureau

AHMEDABAD

Prime Minister Narendra Modi on Thursday exhorted dairy farmers in Gujarat to make Amul "the world's largest dairy brand".

Speaking at the golden jubilee celebrations of the Gujarat Cooperative Milk Marketing Federation, which sells dairy products under the Amul brand name, he highlighted Amul's current status as the world's "eighth largest dairy". He said his government would support farmers and help in expanding Amul to "make it the largest dairy producer in the world".

"While the global dairy sector is developing at 2% per annum, India's dairy sector is developing at 6%," he said, while addressing thousands of farmers who attended the event.

He described Amul as



Narendra Modi

one of the most successful brands of post-independent India. He added that Amul helped women and farmers, "who are its real beneficiaries".

"We have announced new ways to save indigenous breeds based on research carried out under the National Livestock Mission. We also decided to extend financial aid to help put wastelands to use as pastures," he said, listing measures of his government to help the farmers.

- Insufficient quality of milk products
- Decentralized structure of dairy farming in India
- Limited awareness about scientific veterinary practices among rural farmers
- **Important Government Initiatives**
 - The government has built 60,000+ **Amrit Sarovars** across the country. This very initiative will not only benefit farmers but will also strengthen the rural economy.
 - The government has provided **Kisan Credit Card** facility to cattle farmers and fish farmers.
 - The **National Programme for Dairy Development** was launched in 2014. It aims at strengthening infrastructure for milk production and processing, encouraging value-addition in milk and milk products apart from increasing farmers' access to organised markets.
 - The **Dairy Processing & Infrastructure Development Fund** was initiated in 2017.
 - The government has launched the **Rashtriya Gokul Mission** towards development and conservation of indigenous bovine breeds.
 - **Livestock Health and Disease Control Programme** focuses on vaccination of animals of economic and zoonotic importance.

3. India Achieves Kala Azar Elimination Target in 2023

GS 2 (Health)

- **Why in News:** India achieves a major milestone in the battle against Kala Azar, with less than one reported case per 10,000 population across all blocks in 2023, showcasing a significant reduction from 891 cases and three deaths in 2022 to 595 cases and four deaths last year, according to data from the National Vector Borne Disease Control Programme.
- **About the disease:**
 - Kala-azar or black fever is a chronic and potentially fatal parasitic disease of the internal organs, particularly the liver, spleen, bone marrow and lymph nodes.
 - **Caused by:** It is caused by bites from female phlebotomine sandflies – the vector (or transmitter) of the leishmania parasite.
 - **Transmission:** Leishmania donovani is transmitted by sandfly bites in parts of Asia (primarily India), Africa (primarily Sudan), South America (primarily Brazil), Europe (primarily in the Mediterranean region) and in North America.
 - According to WHO, if the disease is not treated, the fatality rate in developing countries can be as high as 100% within 2 years.
 - **Symptoms of Kala azar:** Fever, loss of appetite (anorexia), fatigue, enlargement of the liver, spleen and nodes and suppression of the bone marrow.
 - **Diagnosing Kala azar:** The first oral drug found to be effective for treating kala-azar is miltefosine.

In 2023, India hit target towards eliminating Kala Azar, first time

ANONNA DUTT
NEW DELHI, FEBRUARY 22

INA significant step forward towards eliminating Kala Azar – the second deadliest parasitic disease after malaria in the country – India has achieved the target of reporting less than one case per 10,000 population across all blocks in 2023. Data from the National Vector Borne Disease Control Programme showed that there were 595 cases and four deaths of Kala Azar reported nationwide last year compared to 891 cases and three deaths in 2022. The Indian Express has learned that the Centre has apprised the World Health Organisation of this achievement. **CONTINUED ON PAGE 2**

4. CERN scientists carry out laser cooling of Positronium

GS 3 (Science and Tech)

- **Why in News:**
 - In a major scientific breakthrough, an international team of researchers has successfully demonstrated laser cooling of Positronium for the first time.
 - The breakthrough experiment was carried out by the Antihydrogen Experiment: Gravity, Interferometry, Spectroscopy (AEGIS)

In a first, CERN scientists carry out laser cooling of Positronium

ANJALI MARAR
BENGLALURU, FEBRUARY 22

IN a first, an international team of physicists from the Antihydrogen Experiment: Gravity, Interferometry, Spectroscopy (AEGIS) collaboration has achieved a breakthrough by demonstrating the laser cooling of Positronium, comprising a positron and an electron (e^+), is a fundamental atomic system, due to its very short life, it annihilates with a half-life of 142 nano-seconds. Its mass is twice the electron mass and enjoys the unique distinction of being a pure leptonic atom. This hydrogen-like system, with balanced forces as the electron, makes it a great contender for attempting laser cooling and thereby performing tests of fundamental theories. Physicists representing 19 European and one India research group – comprising the Antihydrogen Experiment: Gravity, Interferometry, Spectroscopy (AEGIS) collabora-

tion announced this scientific achievement on Thursday. The experiment was performed at the European Organisation for Nuclear Research (CERN), in Geneva. This is an important precursor experiment to the formation of anti-hydrogen and the measurement of Earth's gravitational acceleration on antihydrogen in the AEGIS experiment, they said. This could also open prospects to produce a gamma-ray laser that would eventually allow researchers to look inside the atomic nucleus and have applications in nuclear physics. During the past few years, several rounds of experimental runs were performed at an accelerator beam hall of the CERN before the AEGIS team started accumulating data. Since it was formally accepted as a scientific experiment by CERN in 2008, the setting up of the AEGIS experiment, its construction and commissioning continued through 2012 – 2018. This comprised designing of the complex particle trap used to confine antiprotons, antineutrons

and positrons. In 2018, AEGIS became the first in the world to demonstrate the pulsed production of antiprotons atoms. The experiment aims to produce antiprotons under the very challenging circumstances of an accelerator beam hall, rather than within the confines of a very well-controlled laboratory. In every part of the experiment – but the input beams, the laser, laser alignment, timing and control systems, detection techniques, the required technological innovations to make the science a reality, said Professor Sanku Rangwala, faculty at Barisal University, India, and a member of the Indian group in the collaboration. Experiment also achieved laser cooling of Positronium atoms initially from ~300 Kelvin to ~100 Kelvin, and demonstrated the cooling in one dimension using a 70-nanosecond pulse of the alexandrite-based laser system. The laser deployment, researchers said, were of the infrared frequency bands. **FULL REPORT ON**

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collaboration at the European Organization for Nuclear Research (CERN).

- **CERN**

- The name CERN is derived from the acronym for the French "**Conseil Européen pour la Recherche Nucléaire**", or European Council for Nuclear Research.
- **About**
 - CERN was founded in 1954 with the mandate of establishing a world-class fundamental physics research organization in Europe.
 - CERN is a scientific research organization that studies fundamental physics.
 - It operates the world's largest particle physics laboratory.
- **Function**
 - At CERN physicists and engineers are probing the fundamental structure of the universe.
 - They use the world's largest and most complex scientific instruments to study the basic constituents of matter – the fundamental particles.
 - The particles are made to collide together at close to the speed of light.
 - The process gives the physicists clues about how the particles interact, and provides insights into the fundamental laws of nature.
- **Location**
 - CERN is located on the **Franco-Swiss border near Geneva, Switzerland.**
- **Members**
 - Now CERN has 22 members.
 - India became an Associate Member State of CERN in 2016
 - India was inducted as an Observer at CERN in 2004.

- **Antihydrogen Experiment: Gravity, Interferometry, Spectroscopy (AEGIS)**

- **About**
 - AEGIS is an experiment at CERN that studies the effects of gravity on antimatter.
 - The experiment's primary goal is to directly measure the gravitational acceleration of Earth on **antihydrogen**.
 - Antihydrogen is the antimatter counterpart to hydrogen.
 - A hydrogen atom is made up of a positively charged proton and a negatively charged electron.
 - An antihydrogen atom is made up of a negatively charged antiproton and a positively charged positron.
 - It is a collaboration between physicists from Europe and India.
 - **The experiment is designed to help explain the matter-antimatter asymmetry in the visible universe.**
 - Antimatter is stable as long as it doesn't come into contact with matter.
 - However, it only lasts a fraction of a second on Earth without special precautions.
- **Location**
 - The experiment is located at the Antiproton Decelerator facility at CERN.
- **Achievement**
 - In 2018, AEGIS became the first in the world to demonstrate the pulsed production of antihydrogen atoms.

- **Positronium**

- Positronium, comprising a bound electron (e-) and positron (e+), is a fundamental atomic system.
 - The matter, which forms the world around us, consists of atoms, the simplest of which is hydrogen.
 - This is made up of a positively-charged proton and a negatively-charged electron.
 - Positronium, on the other hand, consists of an electron and its antimatter equivalent, a positron.
 - It was first detected by scientists in the US in 1951.
 - Due to its very short life, it annihilates with a half-life of 142 nano-seconds.
 - Its mass is **twice the electron mass and enjoys the unique distinction of being a pure leptonic atom.**
 - This hydrogen-like system, with halved frequencies for excitation, makes it a great contender for attempting laser cooling and thereby performing tests of fundamental theories in physics.
 - Cooling the Positronium slows the atoms down, making it easier for scientists to study.

- **Potential benefits of the experiment**

- This experiment will pave the way for performing spectroscopic comparisons required for the Quantum Electrodynamics (QED).
 - QED is the study of the light and its interaction with charged matter.
- The new scientific development will allow high-precision measurements of the properties and gravitational behaviour of matter-antimatter system, which could reveal newer physics.

- It also allows the production of a positronium Bose–Einstein condensate (BEC), in which all constituents occupy the same quantum state.
 - A BEC is a state of matter that occurs when particles are cooled to near absolute zero and coalesce into a single quantum object
- Such a condensate could be used to generate coherent gamma-ray light through the annihilation of matter and antimatter constituents.
 - This light would be similar to laser light, consisting of monochromatic waves with a constant phase difference between them.

5. Kiru Hydel Project GS 3 (Infrastructure)

• Why in News:

- The Central Bureau of Investigation (CBI) conducted raids at locations linked to former Jammu and Kashmir Governor Satya Pal Malik.
- The agency is investigating alleged corruption in the award of a contract for the Kiru Hydel Project, in J&K's Kishtwar district.

• What is the Kiru Hydel Power Project?

- Kiru hydroelectric power project is a **run-of-the-river** scheme being developed over the **Chenab River** in the **Kishtwar Tehsil of Doha district in Jammu and Kashmir (J&K), India**.
 - The project will be constructed between Kirthai II (upstream) and Kwar (downstream) hydroelectric plants.
- The project is being developed by **Chenab Valley Power Projects (CVPP)**, a joint venture between –
 - National Hydroelectric Power Corporation (NHPC, 49%),
 - Jammu & Kashmir State Power Development Corporation (JKSPDC, 49%) and
 - Power Trading Corporation (PTC, 2%).
- It is being constructed at an estimated cost of **Rs 4,287 crore** for an installed capacity of
- It was awarded scoping clearance by the Ministry of Environment Forests and Climate Change (MoEF&CC) in **2008**.
- Environment clearance was issued in 2016 and the project received approval from the State Administrative Council (SAC) in 2019.
- The foundation stone for the hydroelectric power plant was laid in **2019**, while the deadline for initiating commercial operations is July 2025.

• Benefits of the Kiru Hydroelectric Power Project:

- The project will **address the energy deficiency** in the Northern region of India and will simultaneously improve the transportation, education, medical, and road transportation network in the region.
- The power plant will bring electricity to the rural area, which will **reduce the dependency of the locals on alternative sources of energy**.
- Increased power supply in the region will **enhance the development of small-scale and cottage industries in the region**, which will in turn provide jobs and revenue to the locals.

• What are the Corruption Allegations Surrounding the Kiru Hydel Project?

- Satya Pal Malik, who was the governor of Jammu and Kashmir between August 23, 2018, and October 30, 2019, had **claimed that he was offered a Rs 300-crore bribe for clearing two files**, including one pertaining to the project.
- In 2022, the J&K government had asked for a CBI probe into alleged malpractices (flagged earlier by Satya Pal Malik) in the awarding of two government contracts.
- **The award of civil works** (to Patel Engineering Ltd - a major infrastructure and construction company that was founded in 1949) has been called into question.
- The CBI has booked then CVPPPL chairman, MD and Directors, along with Patel Engineering.
- The FIR says an investigation had been conducted by the **J&K Anti-Corruption Bureau and the Power Department**.
- The FIR alleges that **guidelines for e-tendering** in the awarding of civil works in the project were not followed.
- Further, allegations of substandard work and failure to provide jobs to local youth have been made against the hydel project.

Kiru Hydel Project, focus of allegations against Satya Pal Malik



6. Cabinet Committee on Security (CCS)

GS 2 (Governance)

- **Why in News:** The Cabinet Committee on Security recently cleared the acquisition of over 200 BrahMos extended-range supersonic cruise missiles for deployment on its warships.
- **What are Cabinet Committees?**
 - Cabinet Committees are **extra-constitutional**, meaning, they are not mentioned in the Indian Constitution.
 - They are partly designed **to reduce the burden on the Union Cabinet** by **allowing smaller** groups of ministers to make decisions on specific policy areas.
 - They are **constituted or reconstituted when a new government takes over** or the Cabinet undergoes a reshuffle.
 - The **Prime Minister constitutes** the Standing Committees of the Cabinet and **sets out the specific functions** assigned to them.
 - The composition of cabinet committees in India can range from **three to eight members**, which **typically consist of only Cabinet Ministers**.
 - However, **non-cabinet ministers may also be appointed** as members.
 - All cabinet committees are **chaired by the prime minister or a senior cabinet minister** and will have a number of cabinet ministers as members. However, **if the Prime Minister is a committee member, he will be the head** of the committee.
 - There are a **total of eight cabinet committees**, which are listed below:
 - Appointments Committee of the Cabinet.
 - Cabinet Committee **on Economic Affairs**.
 - Cabinet Committee **on Political Affairs**.
 - Cabinet Committee **on Investment and Growth**.
 - Cabinet Committee **on Security**.
 - Cabinet Committee **on Parliamentary Affairs**.
 - Cabinet Committee **on Employment and Skill Development**.
 - Cabinet Committee **on Accommodation**.
 - Appointments Committee of the Cabinet
 - **Presently, all committees except** the Cabinet Committee **on Accommodation** and the Cabinet Committee **on Parliamentary Affairs** are **headed by the Prime Minister**.
- **About Cabinet Committee on Security (CCS):**
 - CCS is **headed by the Prime Minister**.
 - The Committee discusses, debates, and is the **apex body** when it comes to the **appointments of the officials in the national security bodies**.
 - It also **makes all the important decisions on defence policy and expenditure** and, **generally, all matters of India's security**.
 - **Members:**
 - **Prime Minister** of India
 - **Union Minister of Defence**
 - **Union Minister of Home Affairs**
 - **Union Minister of Finance and Corporate Affairs**
 - **Union Minister of External Affairs**
 - **Functions:**
 - The CCS deals with all the **issues related to the defence and security of India**.
 - The CCS deals with all issues **related to the law and order** of our country and **national security**.
 - It discusses different initiatives to take to enhance the national security of India.
 - It also deals with **policy matters of foreign affairs** which may have a bearing on internal or external security implications, including cases relating to **agreements with other countries on security-related issues**.
 - The Committee discusses the **political issues which can impact the security** of our nation.
 - It **reviews the conditions and the manpower of the national security bodies** and **makes the required changes** to increase national security.
 - The CCS **considers each case that involves a capital expenditure of more than Rs 1,000 crore** in respect of the **Department of Defence Production and Department of Defence Research and Development**.
 - It also deals with every **issue related to atomic energy** and also considers cases of an increase in the **firmed-up cost estimates or revised cost estimates**.

24th Feb, 2024

1. PAPA detects solar wind impact of Coronal Mass Ejections

GS 3 (Science and Tech)

- **Why in News:** The **Plasma Analyser Package for Aditya (PAPA)** payload onboard the **Aditya-L1** has been operational and performing nominally. Its advanced sensors have successfully detected the impact of **coronal mass ejections (CMEs)** including those that occurred recently.
- **What is PAPA?**
 - PAPA is an energy and mass analyzer designed for **in-situ measurements** of **solar wind electrons and ions** in the low energy range.
 - **It has two sensors:**
 - the Solar Wind Electron Energy Probe (SWEEP, measuring electrons in the energy range of 10 eV to 3 keV)
 - the Solar Wind Ion Composition Analyser (SWICAR, measuring ions in the energy range of 10 eV to 25 keV and mass range of 1-60 amu)
 - The sensors are also equipped to measure the direction of arrival of solar wind particles.
- **Important Observations**
 - The SWEEP and SWICAR sensors on PAPA-Aditya-L1 are currently making continuous observations of solar wind electrons and ions in the default mode, demonstrating that they are performing as per the design in all modes of operations.
 - The observations made by PAPA emphasise its effectiveness in monitoring space weather conditions and its capability to detect and analyse solar phenomena.
- **Aditya-L1**
 - The launch of Aditya-L1 by **PSLV-C57 rocket** was successfully accomplished by ISRO.
 - Aditya-L1 spacecraft carried seven payloads to study the Sun — four to observe the light from the Sun and the remaining three to measure **in situ parameters** of the plasma and magnetic fields.
 - Aditya-L1 was placed in a **halo orbit** around the **Lagrangian Point 1 (L1)**, which is 1.5 million km from the Earth in the direction of the Sun.
 - It revolves around the Sun with the same relative position and hence can see the Sun continuously.
- **Important Terms**
 - **Coronal Mass Ejection (CME):** A coronal mass ejection is a large expulsion of plasma and magnetic field from the sun's corona. Plasma is the highly ionised gas present on the sun, while corona is the outermost part of the sun's atmosphere. The corona is structured by strong magnetic fields. If these fields are closed, the solar atmosphere can release sudden, violent bubbles of gas and magnetic fields which constitute the CME.
 - **Solar Storm:** Solar storms are magnetic plasma ejected at great speed from the solar surface. They occur during the release of magnetic energy associated with sunspots ('dark' regions on the Sun that are cooler than the surrounding photosphere), and can last for a few minutes or hours.
 - **Lagrangian Point 1 (L1):** L1 is among the five Lagrange points in the Earth-Sun system. At this point, the gravitational forces of the two bodies balance the centrifugal force felt by a smaller object.
 - **Halo Orbit:** A halo orbit is a type of orbit around an L1, L2, or L3 Lagrangian point.

ISRO: PAPA detects solar wind impact of coronal mass ejections

The Hindu Bureau
BENGALURU

The Indian Space Research Organisation (ISRO) on Friday said that the Plasma Analyser Package for Aditya (PAPA) payload onboard the Aditya-L1 has detected the impact of coronal mass ejections (CMEs).

"Its advanced sensors have successfully detected the impact of CMEs, including those that occurred during February 10-11, 2024," ISRO said.

PAPA is an energy and mass analyser designed for in-situ measurements of solar wind electrons and ions in the low energy range. It has two sensors: the Solar Wind Electron Energy Probe (SWEEP, measuring electrons in the energy range of 10 eV to 3 keV) and the Solar Wind Ion Composition Analyser (SWICAR, measuring ions in the energy range of 10 eV to 25 keV and mass range of 1-60 amu). The sensors are also equipped to measure the direction of arrival of solar wind particles. The payload has been operational since December 12, 2023.

2. The NB8 Visit to India Focuses on Cooperation and Trust

GS 2 (International Relations)

• Why in News:

- Two years after Russia's full-scale invasion of Ukraine, the geopolitical landscape has witnessed significant shifts.
- In response to the prevailing global challenges, representatives from the eight Nordic-Baltic countries are participating in the Raisina Dialogue in New Delhi, emphasising the importance of cooperation in times of turmoil and conflict.
- It is important to delve into the key messages conveyed by the Nordic-Baltic delegation and explore the shared values, diverse links with India, the impact of the war against Ukraine, and the call for international cooperation.

• Nordic-Baltic Cooperation (NB8 Cooperation)

- The eight nations – Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden – united under the umbrella of the Nordic-Baltic cooperation (NB8).
- These nations through the NB8 cooperation share deep historical, social, economic, and cultural ties.
- Their advanced economies, driven by innovation, are fully integrated into the European Common Market.
- This makes them not only G-20 but also G-10 contenders and the countries stand united in their commitment to democracy, human rights, multilateralism, and international law.

• An Analysis of Nordic-Baltic Cooperation with India

- Innovation and Technology**
 - The cooperation extends in the fields of innovation and technology, where the Nordic-Baltic countries, known for their advanced economies, engage in knowledge exchange and collaborative initiatives with India.
 - The focus on new technologies and artificial intelligence creates a mutual drive for innovation, contributing to the global technological landscape
- Green Transition and Sustainability**
 - Both the Nordic-Baltic countries and India recognise the urgency of addressing climate change and environmental challenges.
 - Collaborative efforts in this domain include sharing best practices, technology transfer, and joint initiatives aimed at promoting sustainable development.
- Maritime Affairs and Trade**
 - Given the geographic proximity of the Nordic-Baltic region and India, maritime affairs play a crucial role in their collaboration.
 - The nations explore avenues for enhancing maritime trade, ensuring secure sea routes, and addressing common challenges in the maritime domain.
 - The strategic importance of maritime cooperation contributes to economic growth and stability.
- Health and Well-being**
 - The cooperation extends to the health sector, reflecting a shared commitment to addressing global health challenges.
 - Collaborative efforts encompass initiatives related to public health, medical research, and the exchange of expertise.
 - Joint endeavours in health contribute to building resilient healthcare systems and addressing common health concerns.
- Intellectual Property Rights and Trade**
 - Recognising the significance of intellectual property rights in fostering innovation and economic growth, the Nordic-Baltic countries collaborate with India to strengthen intellectual property frameworks.
 - This cooperation facilitates fair trade practices, protects innovation, and encourages the exchange of ideas and technologies.
- Cultural Exchanges and Tourism**
 - The Nordic-Baltic countries and India share rich cultural heritages, and initiatives in this sphere aim to deepen understanding and appreciation between the peoples.

The NB8 visit to India focuses on cooperation and trust

Two years after Russia's full-scale invasion of Ukraine, cooperation with global partners has become more important than ever before. In this year's Raisina Dialogue in New Delhi, we, the eight Nordic-Baltic countries, are participating in it together as representatives of the Nordic-Baltic cooperation, the NB8. Our message is clear: in times of turmoil and conflict, the world needs more trust, dialogue and cooperation. Let us join forces to prevent and defend peace and stability, to oppose aggression, to maintain a rules-based world order, and to strengthen a world economy based on free trade, sustainability and long-term partnerships.

We represent the governments of eight countries of the north: Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. We are linked geographically, and we share deep historical, social, economic and cultural ties. Our advanced economies are forward looking, innovation-driven, complementary and fully integrated into the world's largest single market area, the European Common Market. Taken together, the size of the Nordic-Baltic economies would qualify not only for the G-20 but also the G-10.

Our countries share a commitment to democracy and human rights. We are all champions of an international order based on multilateralism and international law. It is in this spirit that we pursue a very productive and deeply valued cooperation with India which is a key country with a long-standing democratic tradition and with which we share many core values. We also have long-term and ever-closer ties with India and the Indo-Pacific region in common.

Diverse links with India
The Nordic-Baltic cooperation with India spans fields as diverse as innovation, green transition, maritime, health, intellectual property rights, new technologies, space cooperation and artificial intelligence, student exchanges, culture

Lars Løkke Rasmussen
is Minister for Foreign Affairs, Denmark

Margrethe Vestager
is Minister for Foreign Affairs, Estonia

Elina Valtonen
is Minister for Foreign Affairs, Finland

Björn Björksson
is Minister for Foreign Affairs, Iceland

Kristiina Kallio
is Minister of Foreign Affairs, Latvia

Laima Liukaitienė
is Minister of Foreign Affairs, Lithuania

Eva-Liisa Viikari
is Minister of Foreign Affairs, Norway

Tobias Billström
is Minister for Foreign Affairs, Sweden

and tourism. Trade and investment figures between our region and India are steadily increasing. Indeed, the Nordic-Baltic countries are coming together in pursuit of common goals.

In a time of geopolitical shifts, the security of the Nordic-Baltic region and the Indo-Pacific is intertwined. Today, it is more essential than ever to work together to uphold international law, and to build capacity to tackle both traditional and non-traditional security threats, be it in India's neighbourhood or in our own. We recognise India's increasingly important role in international politics. India has taken on important global responsibilities. Indian leadership, as illustrated not least through the successfully concluded G-20 presidency, is increasingly important for global security and prosperity.

Our objective for coming to India is clear: in a more interconnected world, challenges are shared and require us to work together. In recent years, we have all experienced global health, climate-related and geopolitical shocks that have caused significant strain to our peoples, the international system and indeed on our common planet. We see an urgent need to get back to a more positive agenda for global cooperation. This is an ambition that we share with India, and one where our enhanced cooperation can make a difference.

The impact of the war against Ukraine
Today, the global agenda for progress is seriously hampered by Russia's illegal and full-scale war against Ukraine. Russia is trying to destroy and dismantle a democratic neighbouring country and alter borders using illegal force. It is an attack on international law and on the fundamental principles of the territorial integrity and sovereignty of all states. Upholding these principles that are enshrined in the United Nations Charter, be it in Europe, the Indo-Pacific or elsewhere, and ensuring accountability for the crimes committed, is paramount.

The war affects global food and energy security, supply chains, macro-financial stability, inflation and growth. Indeed, the Russian blockade of Ukrainian ports is especially pernicious, given the substantial global humanitarian needs. For this reason, it is most welcome that Ukraine has pushed through the Russian blockade and resumed food exports that are so critical for the world at large – not least for the countries and people in need.

Peace formula
Two years on, it is clear that Russia has totally undermined Ukraine as well as the support and determination of the international community. Ukraine's President Volodymyr Zelenskyy has presented an ambitious peace formula for a comprehensive, just and lasting peace, based on international law and the UN Charter. The peace formula, which has received broad international support, includes issues of global concern such as energy and food security, environmental consequences and justice. We fully support Ukraine's diplomatic efforts for peace and welcome the increasing number of countries and international organisations taking part in the peace formula meetings – most recently in Davos, Switzerland in January, where there were 61 participants.

Our visit represents the first joint high-level NB8 delegation outside Europe. We have chosen India as our first destination, for many good reasons. Building on our strong commitment to the multilateral system, we want to increase dialogue and cooperation on the issues that dominate India's and other global partners' agendas.

We are honoured to participate as a region in this year's Raisina Dialogue and to be able to deepen our partnership and cooperation with India. Our message to the world continues to be partnership, trust and cooperation. A partnership for development and health: a partnership for green transition and digitalisation, and a partnership for peace and stability.

- **Tourism cooperation promotes people-to-people connections**, fostering a sense of shared heritage.
- **Education and Student Exchanges**
 - Facilitating educational ties, **the Nordic-Baltic countries and India engage in student exchanges and collaborative academic programs.**
 - **This promotes cross-cultural learning, creates academic excellence,** and strengthens the educational infrastructure in both regions.
- **Space Cooperation and Future Technologies**
 - Collaborative ventures in space research, satellite technology, and futuristic innovations **underscore the commitment to pushing the boundaries of scientific exploration.**
 - Space cooperation **reflects a shared vision for advancing technology** for the benefit of both regions.
- **Significance of NB8 Countries Visit to India**
 - **To Reaffirm Multilateral Commitment**
 - The Nordic-Baltic delegation's visit to India is very significant **and it marks the first joint high-level NB8 delegation outside Europe.**
 - **The choice of India as the first destination underscores the commitment to the multilateral system,** aiming to deepen dialogue and cooperation on issues central to India's and other global partners' agendas.
 - **To Address Geopolitical Interconnectedness and Security Concerns**
 - Recognising the interlinked security of the Nordic-Baltic region and the Indo-Pacific, **the delegation emphasised the need to work together.**
 - **This high-level visit is to uphold international law** and address both traditional and non-traditional security threats.
 - **India's role in international politics, exemplified through its G-20 presidency,** is acknowledged as increasingly crucial for global security and prosperity.
- **Challenges Posed by Ukraine War**
 - **Global Food and Energy Security**
 - The conflict in Ukraine has **disrupted global food and energy security,** posing challenges to the stability of supply chains.
 - **The Russian blockade of Ukrainian ports,** a particularly disturbing aspect of the conflict, **has hampered the flow of essential goods,** impacting nations worldwide.
 - This disruption has **far-reaching consequences, affecting not only the economies of the involved parties but also creating a ripple effect on global trade.**
 - **Macroeconomic and Financial Stability**
 - The war has **created uncertainties in global financial markets,** contributing to fluctuations in macroeconomic indicators.
 - **The geopolitical tensions and uncertainties surrounding the conflict have the potential to impact global financial stability,** with repercussions on currencies, investment flows, and the overall economic health of nations.
 - **Global Security Implications**
 - The conflict has **broader global security implications, challenging the established norms of international relations.**
 - The use of illegal force and attempts to alter borders undermine the principles of territorial integrity and sovereignty, creating a precedent that could affect global security dynamics.
 - **The international community faces the challenge of upholding these fundamental principles** and preventing the escalation of conflicts.
 - **Strain on International Relations**
 - The war against **Ukraine has strained international relations, leading to diplomatic tensions and reshaping alliances.**
 - The **challenge lies in maintaining a delicate balance between upholding international norms, ensuring accountability** for violations, and preventing further deterioration of diplomatic relations between nations.
- **Peace Formula for the Ukraine War: Ukraine's Ambitious Peace Formula**
 - Ukraine, under the leadership of President Volodymyr Zelenskyy, **has put forward an ambitious peace formula designed to achieve a comprehensive, just, and lasting resolution to the conflict.**
 - Grounded in international law and the United Nations Charter, **the peace formula encompasses a wide range of issues,** including energy and food security, environmental consequences, and justice.

- **This holistic approach reflects Ukraine's commitment to addressing not only immediate security concerns but also the broader implications of the conflict.**
- **The NB8 delegation expresses full support for Ukraine's peace initiatives** and welcomes the increasing international participation in peace formula meetings.
- **Conclusion**
 - The Nordic-Baltic delegation's participation in the Raisina Dialogue **signifies a united front in the face of global challenges.**
 - **The emphasis on partnership, trust, and cooperation underscores the commitment to addressing shared concerns, from development and health to green transition, digitalisation, and peace and stability.**

3. Surrogacy rules changed in India

GS 2 (Health)

- **Why in News:** The Centre has tweaked the surrogacy rules, bringing relief for married couples aspiring to become parents.
- **What is Surrogacy?**
 - Surrogacy is a method of **assisted reproduction** where **intended parents** work with a **gestational surrogate** who will carry and care for their baby(ies) until birth.
 - In the practice, one woman carries the child for another with the intention that the child should be handed over after birth.
 - Such a surrogacy arrangement may be **altruistic** or **commercial** in nature.
 - Intended parents use surrogacy to start or grow their families when they can't do so on their own.
- **How does it work?**
 - Through In vitro fertilization (IVF), embryos are created in a lab at a fertility clinic.
 - Sometimes the intended parents use their own genetic material. Sometimes, an egg donor is required.
 - At the fertility clinic, 1-2 embryos are implanted into a gestational carrier, who carries the baby(ies) to term.
- **Who regulates surrogacy?**
 - The Centre and State governments are expected to constitute a National Surrogacy Board (NSB) and State Surrogacy Boards (SSB) respectively, within 90 days of the passing of the Act.
 - This body is tasked with enforcing standards for surrogacy clinics, investigating breaches and recommending modifications.
- **What are the new Rules (Surrogacy (Regulation) Amendment Rules, 2024)?**
 - The **Ministry of Health and Family Welfare** has amended the **Surrogacy (Regulation) Rules, 2022** to allow the use of a **donor gamete – ova or egg cells and sperm** – if one of the “intending couple” has a medical condition.
 - The notification comes nearly a year after the Centre banned the use of donor gametes in surrogacy.
 - **Changes in surrogacy rules**
 - The notification by the Centre states that both gametes need not come from the “intending couple” in case the husband or the wife have a medical condition.
 - In case when the District Medical Board certifies that either husband or wife constituting the intending couple suffers from medical condition necessitating use of donor gamete, then surrogacy using donor gamete is allowed subject to the condition that the child to be born through surrogacy must have at least one gamete from the intending couple.

Centre amends surrogacy rules, allows couples to use donor gametes

Blinda Shalan Perappadan
NEW DELHI

The Union government has modified the Surrogacy (Regulation) Rules, 2022 and notified that both gametes need not come from a married couple in case they are certified as suffering from a medical condition. As per the latest amendment, the couple can have a child born through surrogacy but must have at least one gamete from the intending couple.

Also, single women (widow or divorcee) undergoing surrogacy must use self-eggs and donor sperm to avail surrogacy procedures, the notification has said.

The latest amendment comes after the Supreme Court asked why the Centre was not taking a decision on the matter. The Union Health Ministry has now amended the earlier rules that stated that cou-



A medical board can certify either husband or wife suffers from a medical condition.

ples undergoing surrogacy must have both gametes from the intending couple.

Form 2 (Consent of the Surrogate Mother and Agreement for Surrogacy) of the Surrogacy Rules read with Rule 7 was amended on March 14, 2023, to stipulate that donor eggs could not be used for gestational surrogacy of an intending couple. This has now been amended by a notification of the Ministry of Health and Family Welfare.

The District Medical Board can certify that either husband or wife consti-

tuting the intending couple suffers from a medical condition necessitating the use of donor gamete, then surrogacy using donor gamete is allowed subject to the condition.

“Single women [widow or divorcee] undergoing surrogacy must use self-eggs and donor sperm to avail surrogacy procedures,” the notification read.

Many petitions
The Supreme Court last year received petitions from women across the country after it allowed a woman with a rare congenital disorder to avail surrogacy with a donor egg. The Centre had in March 2023 issued a notification banning donor gametes for couples intending to undergo surrogacy.

The Supreme Court, in January, asked the Centre why it was not deciding for many women rushing to the top court with grie-

vances. The Centre, represented by Additional Solicitor-General Aishwarya Bharti, said last month that the government was reconsidering the amendment brought in surrogacy law last year. Several pleas were filed in the top court following the amendment made in Rule 7 on surrogacy on March 14, 2023.

In December last year, the Supreme Court questioned the purpose of previous rules and said, “The very purpose of surrogacy would get defeated by such rules.”

Nitiz Mardia, managing director of fertility clinic, Indira-IVF, explained that surrogacy is the practice wherein a woman agrees to carry a foetus and give birth to a baby for someone else without having any parental rights on the child. “The latest amendment is a testament to the same that protects the fundamental rights of patients,” he added.

- However, the Surrogacy (Regulation) Amendment Rules, 2024 will not be applicable for widowed or divorced women.
 - Indian laws bar single unmarried women from having children through surrogacy.
- **What earlier surrogacy rule said?**
 - In 2023, the Centre through **Rule 7** under the '**Consent of the Surrogate Mother and Agreement for Surrogacy**' of the **Surrogacy (Regulation) Act** had mandated that both the egg and the sperm should come from the intending couple.
 - The latest amendment came after the Supreme Court last year received petitions from women across the country after it allowed a woman with a **rare MRKH syndrome** to avail surrogacy with a donor egg.
- **What will be the impact of the new rules?**
 - The new rules will relief to couples struggling with infertility problems.
 - While very few people need surrogacy — it is only meant for those who do not have a uterus, have a damaged uterus, or have a thin uterine lining — among those who do, the women are likely to be older, having tried other methods of getting pregnant before considering surrogacy.
- **What are the challenges to Surrogacy?**
 - **Unawareness:** A surrogate mother is largely unaware of existing legal or medical procedures and the risks involved in the process.
 - **No legal recognition:** Perhaps the most awful disadvantage is that surrogate mother is not legally recognized as “workers” in India since they do not sell mental or manual labour in the traditional sense of the term. Consequently, they do not have any legal rights.
 - **No international recognition:** There are no internationally recognised laws for surrogacy, so many parents and children can be left vulnerable - or even stateless.
 - **Profit-making profession:** In India, surrogacy is a \$2.3-billion industry which allowed medical practitioners to earn huge profits, without any rules and regulations governing their practice.
 - **Risk to life:** Surrogacy puts the lives of poor women, who rented out their wombs to a surrogate couple to earn a living, at great risk due to repeated pregnancies.
 - **Exploitation of Fundamental Rights:** The practice destroys the surrogate mother's fundamental rights. While the surrogate mother gets a very small amount, doctors and other professionals thrive on huge profits.
 - **Injustice:** While the surrogate mother could not refuse to give up the child, the intended parents had the right to refuse the child.

4. US achieves first moon landing in half century GS 2 (International events of importance)

- **Why in News:** The United States have achieved first moon landing in half century with private spacecraft.
- **Information Nugget**
 - A spacecraft built and flown by Texas-based company Intuitive Machines landed near the moon's south pole.
 - It is the first U.S. touchdown on the lunar surface in more than half a century and the first ever achieved by the private sector.
 - The landing represented the first controlled descent to the lunar surface by a U.S. spacecraft since Apollo 17 in 1972, when NASA's last crewed moon mission landed there with astronauts Gene Cernan and Harrison Schmitt.

US achieves first moon landing in 50 years

REUTERS
TEXAS, FEBRUARY 23

ASPACECRAFT built and flown by Texas-based company Intuitive Machines landed near the south pole of the Moon on Thursday, the first U.S. touchdown on the lunar surface in more than half a century and the first ever achieved by the private sector.

The uncrewed six-legged robot lander, dubbed Odysseus, touched down at about 6:23 p.m. EST (23:23 GMT), the company and NASA commentators said in a joint webcast of the landing.



Odysseus spacecraft near side of the Moon on February 21, Reuters

from Intuitive Machines' mission operations center in Houston. The landing capped a nail-biting final approach and descent in which a problem surfaced with the spacecraft's autonomous navigation system that required engineers on the ground to employ an untested work-around at the 11th hour. It also took some time after an anticipated radio blackout to re-establish communications with the spacecraft and determine its distance: 384,000 km from Earth. When contact was finally renewed, the signal was faint, confirming that the lander had touched down but leaving mission control immediately uncertain. "Our equipment is on the surface of the moon, and we are transmitting, so congratulations. IM team," Intuitive Machines mission director Tim Cain was heard telling the operations center. NASA Administrator Bill Nelson immediately hailed the feat as a "triumph", saying, "Odysseus has taken the moon." The spacecraft was believed to have come to rest at a crater named Malapert A near the moon's south pole. The spacecraft was not designed to provide live video of the landing.

- **Spacecraft:** six-legged robot lander, dubbed Odysseus.
- **Landing:** As planned, the spacecraft was believed to have come to rest at a crater named Malapert A near the moon's south pole.
- **Instruments:** The vehicle is carrying a suite of scientific instruments and technology demonstrations for NASA and several commercial customers designed to operate for seven days on **solar energy** before the sun sets over the polar landing site.
- **Objective:** The NASA payload will focus on **collecting data on space weather interactions** with the moon's surface, **radio astronomy** and other aspects of the **lunar environment** for future landers and NASA's planned return of astronauts later in the decade.
- The arrival of Odysseus also marks the first "**soft landing**" on the moon ever by a commercially manufactured and operated vehicle and the first under **NASA's Artemis lunar program**, as the U.S. races to return astronauts to Earth's natural satellite before China lands its own crewed spacecraft there.
- **What is soft landing?**
 - A soft landing entails a successful landing by a spacecraft without sustaining any significant damage to itself or its payloads.
 - Whereas, in a hard landing, the probe suffers damage which may result in the failure of the mission.
- **The South Pole**
 - The region has a difficult terrain, full of craters and deep trenches. It is also far from the **equatorial region** explored by previous lunar missions.
 - Some areas on the south pole are shrouded in darkness and have never received sunlight.
 - Temperatures are so cold there that they can plummet to as low as -230 degree Celsius. This rocky terrain, complete darkness and extremely cold weather make it more difficult for electronic instruments to function properly.
 - Situated on the edge of the **Aitken basin**, the largest impact basin on the Moon, the lunar south pole offers a unique opportunity to study materials from the Moon's deep crust and mantle.
 - Before Russia, countries such as Japan, Israel and the United Arab Emirates (UAE) have tried and failed to land on the Moon's south pole.
- **Why is landing on Moon challenging?**
 - **Less gravity than Earth:** The Moon has much less gravity than the Earth. Its thin and tenuous atmosphere, along with lunar dust, also makes it tough for spacecraft to land.
 - **Dust:** The presence of dust, even in very small quantities, can have a significant effect on temperature control and optical performance of hardware on the lunar surface.
 - **Deep space communication** also poses a challenge as the "large distance from the Earth and the limited on-board and radio signals are weak with heavy background noises that need to be picked up by large antennas"

5. China Ravaging Africa's Donkey Population

Recent events of importance

- **Why in News:** The increasing demand for **donkey gelatin** in China has led to a significant decline in donkey populations across **Africa**, prompting African governments to address the issue through regulation.
- **The Species**
 - The donkey is a domesticated equine.



- [illegible]

- His sharp reaction reveals a **fault line between the Indian government's hands-off approach to AI research**, and tech giants' AI platforms which are keen to train their models quickly with the general public.
- Google did not immediately respond to a request for comment.
- **What is the Rule 3(1)(b) of Intermediary Rules (IT rules) of IT Act**
 - It says that online platforms should inform users **"not to host, display, upload, modify or share any information"** that belongs to another person and is
 - Grossly harmful,
 - Defamatory,
 - Obscene,
 - Pornographic,
 - Paedophilic, or
 - Otherwise, unlawful in any manner.
- **Similar Incidents Earlier:**
 - This is not the first time that the government has **hit out at Google's chatbot for chiming in on hot-button political issues in India**.
 - Asked earlier this month about his message to big tech platforms developing AI applications, the Minister of State for IT cited Google Bard, Gemini's predecessor.
 - **Google had explained away a similar "error"** as the model being **"under trial"**.
- **Global Scrutiny of Similar Incidents:**
 - **Censorship of AI chatbots has evolved in starts and spurts over the last year.**
 - **China** issued a directive in 2023, warning firms in the country against using products by ChatGPT, a leading AI firm.
 - Google itself may have implemented controls on its chatbots in at least one other authoritarian regime: the Bard chatbot refused to respond to political queries on **Vladimir Putin** when those questions were asked in **Russian**.



7. Two years of Russia – Ukraine War

GS 2 (International Relations)

- **Why in News:** On February 24, 2022, Russia invaded Ukraine. Two years later, an end to the biggest war in Europe since World War II is nowhere in sight.
- **What is the Background of Russia-Ukraine conflict?**
 - Tensions between Ukraine and Russia escalated in late 2013 over a landmark political and trade deal with the European Union.
 - After the pro-Russian then-President, Viktor Yanukovich, suspended the talks weeks of protests in Kyiv erupted into violence. Soon, the then pro-Russian President was ousted.
 - Russia responded by invading Crimea, which was a part of Ukraine, and annexing it in March 2014.
 - Russia invaded Crimea on the pretext that it was defending its interests and those of Russian-speaking citizens.
 - Shortly afterwards, pro-Russian separatists in Ukraine's Donetsk and Luhansk regions declared their independence from Kyiv (capital of Ukraine).
 - They established their own autonomous state called Donetsk People's Republic in 2014.
 - Russia, in February 2022, recognised the independence of these two regions.
 - Kyiv and Moscow signed a peace deal in Minsk in 2015. It was brokered by France and Germany. But it could not bring peace in the region.
 - Later, in February 2022, Russian President Vladimir Putin declared war on Ukraine in a televised address.
 - He said the military action announced by Russia will seek to demilitarize Ukraine and came in response to threats from Ukraine.
- **Why Russia invaded Ukraine?**
 - **Russia wanted a guarantee Ukraine can never join NATO**



- Russia's main demand was a commitment from NATO to end its further expansion into former Soviet republics — especially Ukraine
- **Russia wants NATO arms out of Eastern Europe**
 - Russia wants NATO to stop deploying its weapons and forces in countries in Central and Eastern Europe that joined the alliance after 1997.
- **Russia wants a ban on NATO missiles within striking distance**
 - Russia has nervously watched as NATO has demonstrated it can deepen its involvement in Ukraine — providing weapons and training.
 - NATO missiles on Ukrainian soil might pose serious threat to Russia's security.
- **Russia wants autonomy for eastern Ukraine**
 - Russia says Ukraine must meet its obligations under 2015 agreements.
 - The peace deal, known as the Minsk agreements, was signed to end the fighting between Ukraine's army and pro-Russian separatists in eastern Ukraine.
 - The Minsk agreements also provided additional autonomy to the separatist Russian-speaking territories in the Donbas.
- **News Summary:**
 - Russia's war against Ukraine is exactly two-year-old today (on Feb 24). Calculations on both sides that this would be a short, swift war have proved wrong.
 - The fighting has displaced millions of Ukrainians, **altered the geopolitical landscape of Europe, and hit economies around the world by disrupting supply chains**, adding to inflation, and triggering great economic uncertainty.
- **Impact of this war on modern warfare**
 - **Go small**
 - Instead of tanks and planes, nimble drones have emerged as the conflict's weapon of choice.
 - They overwhelm hulking tanks, kill troops and have allowed both sides to wreak havoc behind enemy lines.
 - Unmanned crafts give commanders on both sides an aerial view of the battlefield, allowing them to monitor the enemy's movements in real time.
 - Ukraine's use of **inexpensive uninhabited maritime vehicles (UMVs)** to target Russia's Black Sea Fleet has popularized remote-controlled weaponry by sea.
 - And the primacy of **drones has set off another kind of competition: the race to disable them through signal jamming.**
 - According to some estimates, the global drone market is expected to reach \$260 billion by 2030, growing almost tenfold from the year before Russia's full-scale invasion.
 - **Pick a side**
 - The war in Ukraine has forged a more bipolar world.
 - It sent Sweden and Finland running into NATO's embrace after they had for so long resisted joining the alliance out of fear of antagonizing Russia.
 - **Sanctions are not a silver bullet**
 - Group of Seven nations have imposed an impressive array of sanctions on Russia over the past two years.
 - They blocked much of Moscow's access to the international financial system, immobilized its central bank reserves and froze the assets of hundreds of individuals and entities.
 - But far from imposing the massive and severe consequences, they have neither deterred Russia's war nor led to the collapse of its economy.
 - That is partly because of the country's ability to circumvent restrictions — or mitigate their effects.
 - **Supply-chain independence is paramount**
 - The war has exposed the critical importance of domestic supply chains.
 - The war has shown how important it is for countries to have their own supply chains at home.
 - When Ukraine needs more military supplies, it has to talk with its friends for help.
 - But when Russia needs them, it can usually make more at its own factories that it runs, and it pays for them using its currency, the ruble.
- **How has Russia's invasion of Ukraine reshaped the geopolitics of the world?**
 - **European countries started to focus on its security and defence**
 - The alarm over the invasion brought European focus on its security and defence.
 - In this respect, the German turnaround from its post-World War pacifism was the most significant
 - **Re-energised the Europe-US security alliance**
 - NATO has opened its door to the proposed inclusion of Sweden and Finland.

- **Europe at the centre of new arms race between Russia and the US**
 - Russia suspended its participation in the New START Treaty, negotiated with the US in 2011 to cap their nuclear weapons.
 - The trust deficit between Russia and the West is at an-all time high. The US-led alliance is pouring weapons into Ukraine.
- **Development of stronger Russia- China axis**
- **Concerns of developing nations**
 - The war has disrupted the supply chain and the prices of energy, fertilisers and other essential commodities have increased.
 - As a result, various developing countries have started to feel the heat of this war.



26th Feb, 2024

1. India's poverty level down to 5% of population

GS 3 (Poverty)

- **Why in News:** NITI Aayog CEO has said **India's poverty level** has fallen to just five per cent, signalling an improvement in the **nation's economic landscape**.
- **Key Highlights**
 - **Data source:** Latest consumer expenditure survey conducted by the National Sample Survey Office (NSSO).
 - The survey categorised people into 20 different groups, revealing that the average per capita monthly expenditure in rural areas is Rs 3,773, while in urban areas, it stands at Rs 6,459.
 - The Survey revealed that **per capita monthly household expenditure** more than doubled in 2022-23 as compared to 2011-12.
 - The data indicates that **poverty in India is now below five per cent**.
- **Monthly per capita consumption expenditure (MPCE)**
 - In rural India, the **share of cereal** in total **monthly per capita consumption expenditure (MPCE)** has fallen to 4.89 per cent in 2022-23 as compared to 10.69 per cent in 2011-2012.
 - **Cereal:** The **share of cereal** substitutes has gone down to 0.02 per cent from 0.06 per cent during the same period.
 - **Vegetables:** At the same time, the spending on vegetables has reduced to 5.38 per cent from 6.62 per cent.
 - It must be noted that the share of most of these categories in total spending has been reducing since 2000 but it is for the first time that spending on beverages & processed food has crossed that of cereals.
 - The share of this category has gone up to 9.62 per cent from 7.90 per cent in 2011-12. This is despite the total food spending as a percentage of total spending in rural India falling from 52.9 per cent in 2011-12 to 46.38 per cent in 2022-23.
 - Some other categories, which saw higher spending percentages in rural India were **dry fruits (1.17 per cent)**, **egg, fish & meat (4.91 per cent)**, **fruits (2.54 per cent)** and **milk & milk products (8.33 per cent)**.
- **The trends**
 - The consumption has surged by 2.5 times in both rural and urban areas, indicating **progress across the board**.
 - The gap is narrowing between rural and urban consumption, suggesting a **positive trajectory towards economic parity**.
 - There is the decline in the consumption of cereals and food items, indicating a **shift towards a more prosperous lifestyle**.
 - People are now allocating more income towards **non-food items, such as milk, fruits, vegetables, and processed foods**, reflecting increased prosperity and evolving consumption patterns.
- **What is Poverty?**
 - Poverty can be defined as a condition in which an individual or household lacks the financial resources to afford a basic minimum standard of living.
 - The **World Bank** defines poverty using the **International Poverty Line**, which designates extreme poverty at \$2.15 per person per day, while \$3.65 falls under the lower-middle income category, and \$6.85 is classified as upper-middle income.

Poverty levels below 5%, claims NITI Aayog chief

CEO of Centre's think tank extrapolates Household Consumption Expenditure Survey findings to argue that growth is inclusive and broad-based, while urban-rural inequality in India is shrinking

Vikas Dhotot
NEW DELHI

Less than 5% of Indians are now expected to be below the poverty line, and extreme destitution has almost gone away, a top government official asserted on Sunday, citing the findings of the Household Consumption Expenditure Survey (HCES) for 2022-23. Retail inflation has also likely been overstated in recent years, he added. Dismissing the narrative that rural economy is weak and India's growth story is "restricted to a few people", B.V.R. Subrahmanyam, chief executive officer of the Centre's think tank NITI Aayog, averred that growth is "broad-based" with rural Indians' incomes and spends rising faster than their urban peers.

Expert view

NITI Aayog CEO presents his take on consumption trends

- Inequality between rural and urban India declining; Gini coefficient will drop too
- Rural economy is not weak; growth is broad-based, not "limited to a few"
- Share of food spending down sharply; retail inflation may be overstated
- Suggests lower weightage for food in the Consumer Price Index
- Expects an impact on GDP growth calculations for the economy

B.V.R. Subrahmanyam

Lower spends on pulses and cereals — which dropped below 5% of per capita consumer expenditure as per the latest survey — and higher expenditures on conveyances, consumer durables, and consumer services indicate that people are earning more and need to spend a lesser share of their income on food, Mr. Subrah-

manyam argued. "It's not that consumption levels of food are going down in absolute terms, but the relative spending on food is declining, while consumption of products like TV sets, fridges, mobile phones, and cars have increased. This not only means there is a change in incomes for the better, but also a change in lifestyles," he said.

"Within food, we see the consumption of beverages, processed food, milk, and fruits is going up, an indication of more diverse and balanced food consumption," he added.

CONTINUED ON

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LEG-UP FOR GROWTH

PAGE 12

SPENDING PATTERNS

DATA POINT

India poverty rate over the years

Year	percent
1977	63.11
1983	56.26
1987	50.59
1993	47.64
2004	39.91
2009	32.87
2011	22.53
2015	18.73
2017	13.37
2018	11.09
2019	12.73
2020	14.72
2021	* 11.9

• Types of Poverty:

- **Absolute Poverty:** Lack of basic necessities like food, shelter, and healthcare, threatening survival.
- **Relative Poverty:** Deprivation in comparison to the broader society, despite meeting basic needs.
- **Urban Poverty:** Concentrated in urban areas, characterized by slums, unemployment, and inadequate living conditions.
- **Rural Poverty:** Predominant in rural regions, often linked to agricultural challenges, low income, and limited access to services.
- **Cyclical Poverty:** Temporary state due to economic fluctuations or personal circumstances.
- **Chronic Poverty:** Persistent, long-term deprivation often linked to systemic issues and lack of opportunities.
- **Income Poverty:** Lack of sufficient income to meet basic needs.
- **Multidimensional Poverty:** Deprivation in various aspects, including education, health, and living standards.

2. 1,300-year-old temples from Badami Chalukyan period discovered

GS 1 (Art and Culture)

- **Why in News:** Archaeologists have unearthed two ancient temples dating back to the **Badami Chalukyan period**, along with a rare inscription, in Mudimanikyam village of Nalgonda district, Telangana.
- **What has been found?**
 - **Origin:** The temples are estimated to be at least 1,300 years old (8th or 9th century AD).

Discovery of temples in Telangana shows spread of Chalukya reign

Serish Nanietti
HYDERABAD

The distance between Mudimanikyam in Telangana and Badami in Karnataka is nearly 500 km. But a recent discovery shows that the village of Mudimanikyam on the banks of river Krishna was part of the kingdom ruled by Badami Chalukyas.



One of the temples discovered in Mudimanikyam village.

the Jagalamba temples at Alampur and the submerged Voleswaram sites were the furthest reach of Chalukya Badami king-

and five within the village. We also discovered an inscription that is dated to the rulers of Badami Chalukyas who ruled between 540 AD and 750 AD," says M. A. Srinivasan, an archaeologist working on the Krishna River basin with S. Ashok Kumar of Public Research Institute of History, Archaeology and Heritage. The temples show Decan cosmopolitanism where there is space for more than two religions, he explains. "Along with Brahmanical religion, there was space for Buddhism and Jainism," Mr. Srinivasan said.

- **Location:** on the way to the Krishna river
- **Architectural style:** They showcase unique architectural styles, blending **Badami Chalukyan and Kadamba Nagara influences**.
- In one temple, a **panavattam** (base of a Shiva lingam) in the sanctum sanctorum has been found. In another, a Vishnu idol was recovered.
- The discovery also includes an inscription, labelled as '**Gandaloranru**', dating back to the **8th or 9th Century AD**, offering clues about the historical context of the region.
- **Significance of the discovery**
 - The discovery gives more insight into the religious practices of the Badami Chalukyan period.
 - They are significant as they are Badami Chalukyan shrines that adopted the Kadamba nagara style in the Rekha nagara format, making them the only two of their kind in Telangana today.
- **Temple Architecture**
 - **Temple Architecture of Chalukya Period**
 - From the 5th century CE onwards (535-757CE), the Chalukyas of Badami were the leading force in Deccan.
 - They were indigenous Kannara family with Kannaras as mother tongue.
 - Their early inscriptions indicate that they worship both Vaishnavite and Shaivite deities.
 - The temple architecture of Chalukya Period is actually the mixture of Nagar and Dravida styles. However, this style has been termed as Besar style.
 - This style originated and flourished at Aihole, Badami and Pattadakal of Karnataka state between 5th to 7th century CE.
 - **Kadamba Architecture**
 - The Kadamba have been regarded as one of the foundations upon which the **Karnataka architecture is based**.
 - The Kadamba style of architecture has many distinguishing characteristics, including a few things in common with the Chalukyan and the Pallava styles.
 - They drew from the architectural tradition of the **Satavahanas**.
 - The Shikara, called **Kadamba Shikara**, constitutes the most prominent feature of their architecture.
 - The **Kadamba Shikara** has a pyramid-like shape and rises in steps with a Stupika or Kalasha at the top without any decoration.
 - **Nagara or North Indian Temple Architecture:**
 - **Origin:** 5th century AD.
 - **Region:** From Northern India to Karnataka to parts of Madhya Pradesh, Odisha and Gujarat, giving it its pan-India appeal.
 - The Nagara style is mainly associated with the land between the **Himalayas and Vindhyas**.
 - The basic plan of Nagara temple is square, with a number of **graduated projections (rathakas)** in the middle of each face which gives it a **cruciform shape** in the exterior.
 - A temple tower or a conical or convex shikhara marks the elevation of the temples.
 - The shikhara consists of several layers of carved courses usually crowned by an **amalaka (notched ring stone)**.
 - Earlier temples began with a single projection on each face and the plan came to be known as **triratha**. Later in the course of time, the number of projection was increased.

- The temple's architecture is characterised by its tower-like structures, known as '**shikhara**' or **spires**, which rise vertically, symbolising the sacred mountain, **Mount Meru**, considered to be the centre of the physical, metaphysical and spiritual dimensions in Hindu, Jain and Buddhist cosmology.
- This temple architecture is also closely associated with both the **Shaivite and Vaishnavite sects of Hinduism** and known for its sculptural elements that echo scenes from Hindu epics like like **Ramayana and Mahabharata**.
- **Examples: Dashavatara temple at Deogarh, UP, and the brick temple at Bhitargaon, UP.**

Basic components of a temple:

Garbhagriha (Sanctum)	<ul style="list-style-type: none"> • Earlier, it was just a small cubicle with a small entrance but as time passed, it grew into a large chamber. It houses the idol or image of the deity.
Mandapa (Congregation Hall)	<ul style="list-style-type: none"> • The entrance to the temple and it features space for a large number of worshippers to gather at this place. It can be described as a hall which has a roof supported by a number of pillars.
Shikhar or Vimana (Tower)	<ul style="list-style-type: none"> • It is a mountain-like spire which is generally seen in the temples that were constructed after fifth century AD. In North India style, it is called Shikhar while in South India it is called Vimana. Shikhar has a curved shape while Vimana has a pyramidal tower-like shape.
Antrala (Vestibule)	<ul style="list-style-type: none"> • The mandapa in front of garbhagriha is called as Antrala or vestibule.
Mahamandapa or Gudhamandapa	<ul style="list-style-type: none"> • The large wall in front of Antarala is called Mahamandapa or Gudhamandapa.
Ardhamandapa (Entrance Porch)	<ul style="list-style-type: none"> • There is also a smaller mandapa in front of Mahamandapa which is called as Ardhmandapa or half porch. This is followed by Dwara or doorways.
Pradakshinapath	<ul style="list-style-type: none"> • The garbhagriha is surrounded by a corridor or circulatory path called Pradakshinapath.

3. The Red Sea Crisis & IMEC

GS 2 (International events of importance)

- **Why in News:** The **global supply chain turmoil**, prompted by the prolonged Red Sea crisis, underscores the urgency of exploring alternative trade routes like the **India-Middle East-Europe Economic Corridor (IMEC)** introduced during the **2023 G-20 summit**.
- **Why is the Red Sea route important?**

- **Global trade:** The Red Sea owes its strategic importance for global trade to the **Bab el-Mandab Strait** which lies between **Yemen and Djibouti**.

Can the IMEC address the Red Sea crisis?

How important is the Red Sea trading route to India? Has China offered an alternative route?

Also Read:

Algeria's role

The story so far:

Algeria's role

The story so far:

Algeria's role

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THE GIST

The Red Sea crisis

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The Red Sea crisis

- **Busiest route:** It is one of the world's busiest cargo and oil transit points with almost **12% of international merchandise trade passing through it.**
- **Clear impact of re-routing:** An immediate consequence of the Red Sea conflict has been that major container and oil carriers have been forced to re-route shipments via the **Cape of Good Hope**. The re-routing has led to
 - rising ocean freight
 - inflated insurance costs
 - longer voyage times leading to delays and shortage of products
 - increased transportation costs
 - higher shipping costs leading to increased commodity prices
- **India's share**
 - India's trade with **European and North African countries** flows entirely through the Red Sea route which is almost 24% of its exports and 14% of its imports.
 - In the year 2022-23, India's bilateral trade with Europe and North Africa stood at \$189 billion and \$15 billion respectively.
- **How has this turmoil affected India?**
 - **Drop in shipment:** The rising fears among traders have already seen a drop in Indian shipments.
 - Rising threats have prompted Indian exporters to hold back around 25% of their cargo ships transitioning through the **Red Sea**.
 - **Opportunity for China to promote BRI:** As global supply chains are battling delayed shipments and rising costs, China is actively projecting **China-Europe freight trains**, which are part of the **Belt and Road Initiative (BRI)**, as an alternate route.
- **Why IMEC is not receiving attention**
 - The **India-Middle East-Europe Economic Corridor (IMEC)**, which was announced during the G-20 summit in 2023, is another alternative which is not receiving much attention.
 - **Lack of investment:** Part of the problem is that apart from the MoUs, there have not been any investments or operations regarding the corridor.
 - **Israel-Palestine conflict:** Furthermore, the Israel-Palestine conflict has put a pause on the normalisation of Arab-Israel relations which is a key element of the multi-nation initiative.
 - **Vulnerability:** Another major challenge is the vulnerability of the Strait of Hormuz. The entire trade of the IMEC architecture flows through the Strait of Hormuz and with Iran's proximity and control over the strait, the risk of disruptions remain very high.
- **IMEC**
 - **Objective:** The corridor aims to provide a reliable and cost-effective **ship-to-rail transit network** between **Asia, Middle East and Europe**.
 - **Proposals:** The corridor will comprise of **two separate corridors**,
 - **The Eastern corridor** - will connect India to the Arabian Gulf.
 - **The Northern corridor**- will connect the Arabian Gulf to Europe.
 - The corridor is estimated to cut the journey time from India to Europe by 40% and slash transit costs by 30%.

4. Language Atlas of India

GS 1 (Art and Culture)

- Why in News:** In light of India's focus on promoting education in mother tongue languages, a proposed linguistic survey by the **Indira Gandhi National Centre for Arts (IGNCA)** aims to determine the actual number of "active" languages spoken across the country, highlighting the significance of preserving linguistic diversity.
- How diverse is India's language map?**
 - India recognises **22 languages officially**, which are part of **Schedule 8 of the Indian Constitution**.
 - According to Census data, **97 % of the Indian population speaks one of these languages**.
 - There are an additional **99 non-scheduled languages** included in the Census, and according to the 2011 Census, around **8 million people** identify one of these non-Scheduled languages as their mother tongue.
 - The native language of **2 million people** remains unaccounted for due to the decision to not include languages with less than **10,000 speakers in the Census since 1971**.
 - Many of these languages not recorded in the **official Census** records are spoken by tribal communities.
- What is the need of Language Atlas of India?**
 - Mapping the diversity:** Given the diversity, there is an urgent need to carry out a comprehensive linguistic survey in order to create the **Language Atlas of India**.
 - Knowing numbers:** The survey would help to focus on the number of languages and dialects in India.
 - Knowing scripts and dialects:** It would also try to know how many languages are spoken in India, and how many scripts and dialects there are.
 - IGNCA has identified the **Central Institute of Indian Languages, the National Museum, Centres for Endangered Languages, and the Linguistic Departments** of various universities as potential partners and collaborators in carrying out the survey.
- Indira Gandhi National Centre for the Arts (IGNCA)**
 - Established in:** 1987
 - IGNCA was established as an **autonomous institution** under the **Ministry of Culture**, as a centre for research, academic pursuit and dissemination in the field of the arts.
 - The Arts' encompass a wide range of subjects – from archaeology and anthropology to the visual and performing arts, enveloping them in a complementary and non-demarcated vision.

IGNCA's 'language atlas' to shine a light on India's linguistic diversity

Steepparna Chakrabarty
NEW DELHI

As India makes efforts towards imparting education in the mother tongue, especially at the primary level, a crucial question remains on the actual number of languages that can be considered to be "active" in the country.

A proposed linguistic survey across the country by the Indira Gandhi National Centre for the Arts (IGNCA), which aims to enumerate how many languages are spoken and in which States and regions, can provide the answer.

The IGNCA is an autonomous body under the Union Culture Ministry.

India recognises 22 languages officially, which are part of Schedule 8 of the Indian Constitution. According to Census data, 97% of the Indian population speaks one of these languages. There are an additional 99 non-scheduled languages included in the Census, and according to the 2011 Census, around 37.8 million people identify one of these non-Scheduled languages as their mother tongue.

The native language of 1.2 million people remains unaccounted for due to the



The IGNCA is an autonomous body under Culture Ministry.

decision to not include languages with less than 10,000 speakers in the Census since 1971. Many of these languages not recorded in the official Census records are spoken by tribal communities.

Thus, of all the Census surveys, the official Census of 1961 was the most exhaustive and detailed with respect to linguistic data. In this Census, even languages with a single speaker were included in the records.

"There is an urgent need to carry out a comprehensive linguistic survey in order to create the Language Atlas of India," Prof. Gaur, Director and Head of the IGNCA's Kala Nidhi Division and Member of the UNESCO Global Taskforce on Indigenous Languages, told *The Hindu*. "After this, the next Census can put a number

to the number of people who speak each language or consider them as their mother tongues," he added.

Experts say it can be a database for future policy decisions. According to the Detailed Project Report (DPR) prepared by the IGNCA, the stakeholders in the survey would be the Ministries of Culture, Education, Tribal Affairs, Home, Social Justice and Empowerment, and Development of North East Region, apart from various languages communities.

The IGNCA has identified the Central Institute of Indian Languages, the National Museum, Centres for Endangered Languages, and the Linguistic Departments of various universities as potential partners and collaborators in carrying out the survey.

5. Newly amended Electricity Rules and rooftop solar power

GS 2 (Governance)

- Why in News:**
 - Recently, the Ministry of Power has notified amendments to the Electricity (Rights of Consumers) Rules, 2020.
 - In order to accelerate the installation of rooftop solar projects and empower consumers, the amendment contains provisions on connections in residential societies and solving complaints on meter readings.
 - The amendments came a week after PM Modi launched **PM Surya Ghar: Muft Bijli Yojana** earlier this month.

CHANGES IN ELECTRICITY RULES: BOOST TO ROOFTOP SOLAR POWER

ANURAG WALIA
NEW DELHI, FEBRUARY 25

THE MINISTRY OF POWER has notified amendments to the Electricity (Rights of Consumers) Rules, 2020, to boost the installation of rooftop solar projects and empower consumers. The amendments, which were notified on February 25, have provided a clear framework for the installation of rooftop solar projects and the connection of solar power systems.

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Solar PV systems up to 10 kW capacity will be accepted without a technical feasibility study.

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- This scheme will provide households with a subsidy of up to 40% to install rooftop solar panels.
- **Key highlights of the amendment**
 - **Installing rooftop solar made easier and faster**
 - Earlier, DISCOMs were required to conduct a feasibility study for rooftop solar projects within 20 days of an application being filed, and then intimate the outcome to the applicant.
 - A technical feasibility study determines whether a property is physically and financially suitable for the installation of solar panels.
 - The latest amendments have **reduced that period to 15 days**. Moreover, if the study is not completed by then, it shall be presumed that the proposal is technically feasible.
 - In other words, DISCOMs are no longer required to complete a technical feasibility study before accepting an application to begin the installation of solar panels
 - The rules also note that **solar PV systems up to a capacity of 10 kilowatts shall be deemed accepted without requiring a study**.
 - DISCOMs can also include expenditure on strengthening distribution infrastructure for rooftop solar projects (with a capacity of up to 5 kilowatts or higher) in its revenue requirement.
 - The exact maximum capacity shall be prescribed by each state electricity regulatory commission.
 - In other words, the costs of strengthening distribution infrastructure for rooftop solar projects with a capacity of up to 5 kilowatts will be borne by DISCOMs, and this can be covered through its operations.
 - **Empowering consumers in residential societies**
 - The new rules that allow people living in residential societies to choose between having separate connections for each household or having one connection for the entire society.
 - This choice will be made through a fair voting process organized by the distribution company.
 - If the owners opt for a single-point connection for the whole premises, then the association overseeing a residential society will be responsible for metering, billing, and collection of the amount due on a no-profit-no-loss basis.
 - In the case of individual connections, the DISCOM will be responsible for those tasks.
 - The amendments also require DISCOMs to install an additional meter in case a consumer complains of meter readings not reflecting actual consumption.
 - If the meter is found to be inaccurate, the excess or deficit charges shall be adjusted in the subsequent bills, as per existing rules.
 - **New electricity connections to be provided more quickly**
 - The amended rules have reduced the period for obtaining a new electricity connection or modifying an existing one in metropolitan areas from seven to three days.
 - In other municipal areas, this has reduced from 15 to seven days, and in rural areas from 30 to 15 days.
 - In rural areas with hilly terrain, however, the period will continue to remain 30 days.
 - **Electric Vehicles mentioned for the first time in the rules**
 - **DISCOMs are required to provide a separate connection for the supply of electricity to an EV charging point** if requested by a consumer and within the revised period as mentioned above.
 - In other words, EV owners in New Delhi, Bangalore, or other metropolitan cities can now get a new electricity connection to charge their cars in three days.

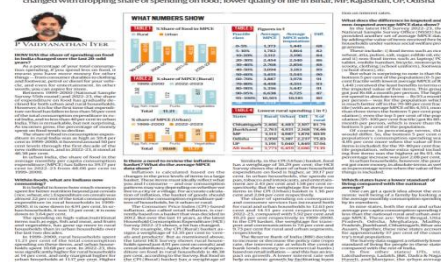
6. Household Consumption Expenditure Survey 2022-23 Report – Analysis

Important report findings

- **Why in News:**
 - Recently, the Ministry of Statistics and Programme Implementation, released data on household consumption expenditure for the year 2022-23.
 - The data shows per capita monthly household expenditure more than doubled in 2022-23 as compared to 2011-12.
- **Key takeaways from the 2022-23 survey**

Consumption survey: 5 questions

Bottom 5% received the least benefits in terms of the imputed value of free items; inflation basket needs to be changed with dropping share of spending on food; lower quality of life in Bihar, MP, Rajasthan, UP, Odisha



- **Share of spending on food in India changed over the last 20-odd years**
 - Between 1999-2000 and 2022-23, the share of **expenditure on food has gradually declined for both urban and rural households.**
 - However, it is for the first time that expenditure on food has fallen to less than 50 per cent of the total consumption expenditure in rural India, and to less than 40 per cent in urban India.
- **Within foods, what are we eating?**
 - The share of cereals and pulses within overall food consumption expenditure has reduced, both in rural and urban areas.
 - The share of spending on milk has increased, so much so as to overtake that on cereals and pulses combined — i.e. foodgrains — in 2022-23.
 - The average rural as well as urban Indian has, for the first time in 2022-23, spent more on fruits and vegetables than on foodgrains.
 - The spending on vegetables alone exceeded that on cereals, and likewise for fruits vis-a-vis pulses
 - A growing share of the consumer rupee is also going to eggs, fish and meat.
 - When combined with the rising and falling shares of milk and pulses respectively, it suggests a clear preference among Indian consumers for animal proteins over plant proteins
 - Indians are spending more, as a percentage of their total expenditure, on processed foods, beverages and purchased cooked meals.
- **Spending on food and the items consumed supports Engel Curve hypothesis**
 - Named after the 19th century German statistician Ernst Engel, it **broadly states that as incomes grow, households spend a smaller proportion of that on food.**
 - Even within food, **they would buy more of “superior” and less of “inferior” items.**
 - In the present case, cereals, sugar and pulses are inferior, while milk, egg, fish, meat, fruits and vegetables, beverages and processed foods are superior.
- **Narrowing rural-urban gap**
 - The data shows consumption in rural areas is growing faster than in urban areas, thereby narrowing the gap.
 - If the trend continues, it is possible that urban and rural incomes and consumption will be the same in the coming years.
- **The average monthly per capita consumption expenditure (MPCE) of agricultural households**
 - For the first time, MPCE of agricultural households has fallen below the overall average of rural households
 - The average MPCE of families self-employed in agriculture was Rs 3,702 in 2022-23, while the overall average of rural households was Rs 3,773.
 - The gap between the MPCE of agricultural families and the overall average of rural households has been narrowing over the years.
 - The MPCE of casual labourers and regular wage earners engaged in agriculture was also lower than the rural average
- **Need to review the inflation basket**
 - Inflation is calculated based on the changes in the price levels of items in a large basket. These items must ideally reflect what Indians are consuming.
 - The Consumer Price Index (CPI)-based inflation, also called retail inflation, is currently based on a basket that was decided in 2012.
 - However, over the last 11 years, as the latest Household Consumption Expenditure (HCE) Survey 2022-23 shows, a lot has changed.
 - For example, the CPI (Rural) basket assigns a weightage of 12.35 per cent to ‘cereals and products’.
 - But as discussed above, the latest HCE Survey shows rural households spend just 4.91 per cent on cereals (and cereal substitutes).
- **On poverty**
 - As per NITI Aayog CEO B V R Subrahmanyam, the latest consumer expenditure survey indicates that poverty has **come down to five per cent in the country.**
 - People are becoming prosperous both in rural and urban areas.

- The data showed that the average per capita monthly expenditure for all categories stood at Rs 3,773 in rural areas and Rs 6,459 in urban areas.
- The average per capita monthly expenditure of 0-5% fractile (bottom 5%) class is pegged at Rs 1,373 in rural areas and Rs 2,001 in urban areas.
- **Demand for a legal guarantee to MSP and the survey data**
 - The demand for a legal guarantee to MSP is mainly from farmers of 23 crops, including foodgrains and sugarcane.
 - But farm sector's growth is being led by livestock, fisheries and horticulture crops outside MSP purview.
 - However, the survey data shows that their growth is largely market demand-driven.
 - Hence, it raises an important question
 - if consumption of milk, fish, poultry products, and fruits and vegetables is rising much more than cereals and sugar, shouldn't the focus be on promoting production of the former as opposed to the latter?

7. Do Political Parties have to Pay Income Tax

GS 3 (Economy)

- **Why in News:**
 - Recently, the Congress party alleged that the Income Tax (IT) Department instructed banks to transfer over Rs. 65 crores from the accounts of the Congress, the Youth Congress (IYC) and the NSUI.
 - Terming it "economic terrorism", Congress treasurer (Ajay Maken) said the move came even as the party has its challenge of a Rs. 210 crore tax demand pending before the IT Appellate Tribunal (ITAT).
- **Are Political Parties Required to Pay Income Tax?**
 - **The Income Tax Act 1961 exempts** political parties registered by the Election Commission (EC) under the Representation of the People Act 1951 from paying income tax, **with some conditions**.
 - **Section 13-A of the Act** (special provision relating to incomes of political parties): It says that any income under the heads of
 - Income from house property,
 - Income from other sources,
 - Capital gains and
 - Income from voluntary contributions **shall not be included in the total income of the previous year of the party.**
 - **The above exemption is valid as long as –**
 - The political party **maintains books of account** that would enable the Assessing Officer to "properly deduce its income";
 - Maintains a record of all contributions above **20,000** each;
 - Has its accounts audited by an accountant and does not accept any donation above **2,000** each in cash; and
 - The treasurer of the party or any other person authorised by the party submits a declaration of its donations to the EC before the due date of filing IT returns.
- **Are Political Parties Required to File IT Returns?**
 - Parties are required to file their returns **if their total income**, before taking into account the exemptions under Section 13A, **is higher than the IT exemption limit**.
 - **Section 139 (4B)** says that the chief executive officer of every political party furnishes a return of such income of the previous year in the prescribed form, if,
 - The total income exceeds the maximum amount which is not chargeable to IT.
- **What is the Present Case of the Congress?**
 - The Congress' treasurer said that the IT Department had told the banks where the Congress, IYC and NSUI had their accounts **to transfer Rs 65 crore**.
 - This was even as the ITAT was hearing the Congress' challenge against a Rs 210 crore tax demand
 - The IT demand pertains to the **financial year 2018-2019**.



- The party had received Rs. 142.83 crore in donations that year and of this amount, Rs. 14.49 lakh was received in cash.
- This was collected from Congress MLAs and MPs, who contributed one month's salary each.
- According to the Congress' treasurer,
 - The party submitted its account details later on February 2, 2019, instead of the deadline of December 31, 2018.
 - The IT Department had raised a demand of Rs.210 crore over just Rs. 14 lakhs in cash donations, just before the 2024 Lok Sabha elections.
- **The matter now rests with the ITAT**, which completed its hearing and reserved its order.

8. WTO's MC13

GS 2 (International Relations)

- **Why in News:** The World Trade Organization's 13th Ministerial Conference (MC13) commenced recently in Abu Dhabi, United Arab Emirates (UAE).
- **What are key-priorities for India?**
 - India's primary task is keeping non-trade issues outside the ambit of the WTO.
 - The key priorities for New Delhi at this multi-nation platform.
- **Food security**
 - India will maintain its stand of refusing to discuss **issues related to agriculture** at the ministerial-level meeting of the WTO, unless a permanent solution is found to public stockholding for food security.
 - WTO members have expressed concerns over **India's minimum support price (MSP) scheme** for key agricultural products and export restrictions on commodities such as rice.
- **Poor fishermen**
 - India will continue to bat for a permanent carve-out for nations that practise low-income fishing in a bid to protect the livelihoods of poor fishermen.
 - Apart from this, New Delhi will also push for not restricting countries from giving subsidies to fishermen operating within their **Exclusive Economic Zone (EEZ)**.
- **Fishing**
 - The WTO Agreement on Fisheries Subsidies, adopted at the previous 12th Ministerial Conference (MC12), prohibited "harmful fisheries subsidies, which are a key factor in the widespread depletion of the world's fish stocks.
 - India had rejected the text on fisheries subsidy agreed upon after MC12 and is proposing a 25-year moratorium on distant water fishing nations to discourage countries from fishing outside their immediate Regional Fisheries Management Organisation (RFMO).
- **Non-trade issues**
 - In line with its earlier stance, India will oppose any discussion on what the country considers non-trade issues, including **discussions on the environment, MSMEs (micro, small, and medium enterprises), and gender matters** at the ministerial conference.
- **EU's carbon tax**
 - Specifically, New Delhi may prefer discussing bilaterally with the European Union (EU) regarding their carbon tax on imports of steel, iron ore, and cement, rather than at MC13.

WTO Meet: India to push for permanent solution to public stock holding of grains

PRESS TRUST OF INDIA
NEW DELHI, FEBRUARY 25

INDIA WILL strongly oppose a China-led proposal for an investment facilitation pact besides pressing for finding a permanent solution to public stock holding of grains for food security and protection of the interests of fishermen at the WTO ministerial meeting beginning Tuesday.

The Indian delegation is led by Commerce and Industry Minister Piyush Goyal. The four-day 13th ministerial conference (MC13) will start on February 26 in Abu Dhabi, the United Arab Emirates (UAE). Trade ministers of 164 member countries of the World Trade Organization (WTO) are meeting against the backdrop of the uncertain global economic situation due to the Red Sea crisis, the Ukraine-Russia war and the Israel-Hamas conflict.

The key issue of India's interests at the meeting relates to finding a permanent solution for its minimum support price (MSP) issue for food security, agricultural reforms, fisheries subsidies, e-commerce moratorium on import duties, dispute settlement, and WTO reforms.

"Food security issues. The public stock-holding (PSH) programme is a policy tool under which the government procures crops like rice and wheat from farmers at MSP, and stores and distributes foodgrains to the poor. India stresses the need for PSH for its large vulnerable population and wants a permanent solution from the MC13. Food procurement, stockholding, and distribution are crucial to India's food security strategy. MSP is normally higher than the prevailing market rates and sells these at a low price to ensure food security for over 800 million beneficiaries. However, the WTO's Agreement on Agriculture limits the ability of a government to purchase food at MSP. Under global trade norms, a WTO member country's food subsidy bill should not breach the limit of 10 per cent of the value of production based on the reference price of 1986-88.

As part of the solution, India has asked for measures like amendments in the formula to calculate the food subsidy cap. Developed nations are of the view that such programmes distort global trade prices of food grains.

Joint Support Initiatives (JSIs) or plurilateral agreements India proposes this move being pushed for certain nations. For example, India is strongly opposing efforts of a group of countries led by China to push a proposal on investment facilitation for development agreement at the WTO. The country has maintained that this agenda falls outside the mandate of the global trade body.



Under the public stock-holding programme, the govt procures crops like rice and wheat from farmers at MSP, stores and distributes foodgrains to the poor. India stresses the need for PSH for its large vulnerable population and wants a permanent solution from the MC13.

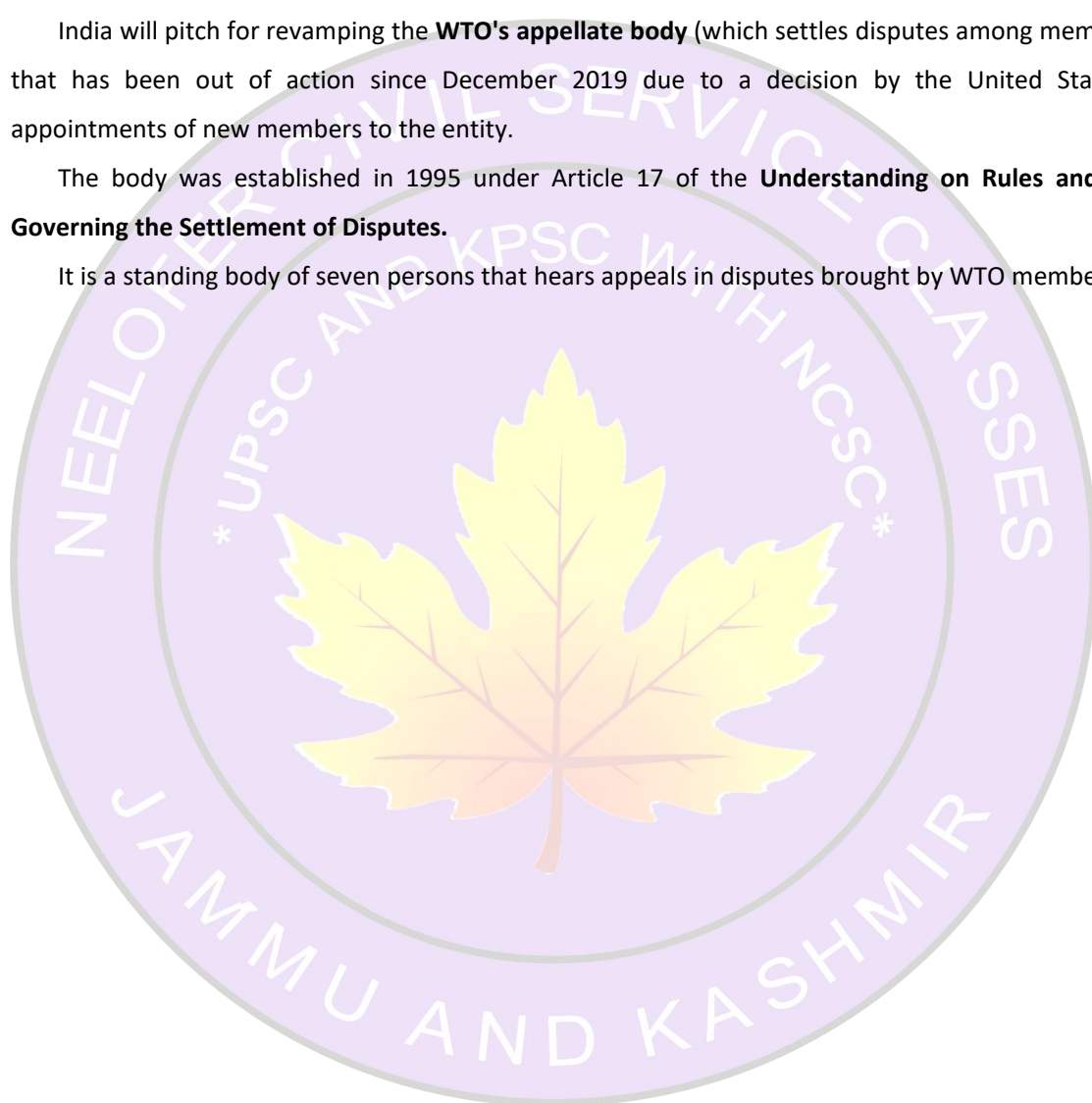
- **EU's Carbon Border Adjustment Mechanism (CBAM)** puts a price on the carbon emitted during the production of carbon-intensive goods entering the EU to encourage cleaner production in non-EU countries.

- **Digital trade**

- India will push to end a moratorium on **customs duties on digital goods** at the ministerial conference, saying that such a leeway tends to benefit a few developed nations.
- India believes that a country should be free to levy duties given that developing nations are losing around \$10 billion in revenues due to this moratorium.

- **WTO disputes**

- India will pitch for revamping the **WTO's appellate body** (which settles disputes among member nations), that has been out of action since December 2019 due to a decision by the United States to block appointments of new members to the entity.
- The body was established in 1995 under Article 17 of the **Understanding on Rules and Procedures Governing the Settlement of Disputes**.
- It is a standing body of seven persons that hears appeals in disputes brought by WTO members.



27th Feb, 2024

1. Bitcoin Halving

Recent events of importance

- **Why in News:** 'Bitcoin Halving' is predicted to happen in April this year.
- **What is the Bitcoin Halving?**
 - The Bitcoin Halving refers to the 50% reduction in the reward paid to Bitcoin miners who successfully process other people's cryptocurrency transactions so that they can be added to the public digital ledger known as the
 - **Proof of work:** Bitcoin miners rely on advanced computer equipment to solve a complex mathematical puzzle through a process known as 'Proof of work' to grow Bitcoin's blockchain and keep the ecosystem running.
 - Carbon footprints: This intense activity is the reason Bitcoin transactions result in huge carbon footprints and require vast amount of electricity. **No real mining is carried out.**
- **Why does the Bitcoin Halving matter to crypto investors?**
 - Bitcoin mining increases the supply of BTC in circulation while the Bitcoin Halving reduces the rate at which these coins are released, making the asset more scarce.
 - Scarcity is seen as pushing up prices, as is the case with gold.

What is Bitcoin halving and what does it mean for the crypto community?

Does the process result in huge carbon footprints and require a vast amount of electricity? What is the significance of this event? Why does it matter to cryptocurrency investors? What direction will the crypto market take after the event?

Sahana Venugopal

Just as the sporting world eagerly awaits the Olympics every four years, those following the cryptocurrency look forward to their own quadrennial event. As athletes train for the 2024 Games in Paris this summer, crypto traders and Bitcoin miners are preparing for what is known as the 'Bitcoin halving'—predicted to happen in April.

What is the Bitcoin halving?

Bitcoin halving refers to the 50% reduction in the reward paid to Bitcoin miners who successfully process other people's cryptocurrency transactions so that they can be added to the public digital ledger known as the blockchain. In order to 'grow' Bitcoin's blockchain and keep the ecosystem running, Bitcoin miners rely on advanced computer equipment to solve a complex mathematical puzzle through a process known as 'Proof of work'. This intense activity is the reason Bitcoin transactions result in huge carbon footprints and require vast amount of electricity. No real mining is carried out.

The Bitcoin miners with cutting-edge computer equipment, working on an industrial scale, are most likely to solve the puzzle first and claim their prize, which is currently set at 6.25 Bitcoin (BTC). While there can only be 21 million BTC in the world, over 19 million have already been 'mined' or released. This sounds like the end of the story, but Bitcoin halving means it will take four more years for the remaining coins to be mined. A halving takes place after 210,000 blocks, and has happened so far in 2012, 2016, and 2020 — every four years.

cashiers can use their favourite tools in order to bill the items and process the payment. While one might prefer to tally up the total with paper and pencil, another might decide to use their smartphone calculator, while someone else buys a state-of-the-art computer system attached to a price scanner. The person most likely to win in this case is the cashier with the most advanced equipment, but the others stand a chance of winning as well. This is largely a positive system for everyone: the customers' items are efficiently billed and all the cashiers do their job well because they want to claim the prize.

After four or six years, you return to the grocery store where the cashiers still have the same job, but the prize money has been reduced to five gold coins. Is the prize still worth the effort? That depends on the price of gold in the market, and the cost of the equipment that the cashiers bought to enter to win the gold coins. This is one way to understand Bitcoin halving.

Why does the Bitcoin halving matter to crypto investors?

Bitcoin mining increases the supply of BTC in circulation while Bitcoin halving reduces the rate at which these coins are released, making the asset more scarce. Scarcity is seen as pushing up prices, as is the case with gold. While there can only be 21 million BTC in the world, over 19 million have already been 'mined' or released. This sounds like the end of the story, but Bitcoin halving means it will take four more years for the remaining coins to be mined. A halving takes place after 210,000 blocks, and has happened so far in 2012, 2016, and 2020 — every four years.

In 2009, a successful Bitcoin miner could claim a prize of 50 BTC. After this year's halving, they will only get 3.125 BTC. However, keep in mind that Bitcoin prices are far higher now than they were in 2009, so this isn't necessarily a loss for the miner. As of February 14, the price of 1 BTC was around \$60,528. This means a mining reward on February 14 would be worth around \$3,09,550 (6.25 x price of 1 BTC). Whether this value will rise or fall after the Bitcoin halving depends on the price of Bitcoin.

Both corporate and independent Bitcoin miners are spread across the world, trying to leverage cheap electricity prices in countries like Kazakhstan and Iran to mine as much Bitcoin as they can. China was originally home to many of the world's crypto miners, but government crackdowns triggered an exodus to other countries.

What impact will Bitcoin halving have on investors?

This depends on the investor in question, and the extent of their involvement with Bitcoin and its ecosystem. For example, a corporate-level miner who has burned through their wallet powering their own mining hardware (and the electricity bills that come from powering them) is probably desperate to earn their black result in these last days while it is still set at 6.25 BTC, rather than the much lower 3.125 BTC. On the other hand, a new trader who has mined a small amount of money in Bitcoin through their crypto exchange via a phone app and knows nothing about the underlying blockchain technology might not even react to the new halving.

Meanwhile, a more experienced trader

who has looked at past halvings might try increasing their Bitcoin investment in the hope of benefiting from a possible price spike, even as another might 'short' Bitcoin, while hoping to profit from a possible price crash.

What will happen to the crypto market after the next Bitcoin halving?

While nobody can know for sure what would happen to the crypto market, innumerable self-styled crypto traders, financial analysts, fund managers, crypto influencers, and statisticians claim they can predict the price trajectory of Bitcoin with the help of cryptocurrency models and metrics, but investors should know these are all educated guesses at best.

Many Bitcoin investors and watchers also reference a recurring four-year cycle that hinges on the halving, or even claim that price spikes after the halving. But in reality, the coin's journey has been far more unpredictable and difficult to map out. Every halving in Bitcoin's history has been wildly different due to an eclectic mix of blockchain-related factors. Now, the Coast Guard must come up with a policy which treats women fairly, by the court had observed in an earlier hearing.

2. Grant PC to women coast guard officers: SC

Recent events of importance

- **Why in News:** Supreme Court directed the Centre to set up a fresh selection board to consider the issue of granting permanent commission to women coast guard officers.
- **The current induction method**
 - The **SSC (short service commission) officers** are inducted under the **10+4 scheme**, in which the officer serves for 10 years and can exercise the option of extending his service by four years.
 - The **Permanent Commission** is granted to SSC officers subject to service requirement and availability of vacancies.
- In 2020, Supreme Court had delivered a significant verdict paving the way for **granting permanent commission to women officers in the Indian Navy**.

Grant permanent commission to women: SC to Coast Guard

The Hindu Bureau
NEW DELHI

The Supreme Court on Monday urged the Indian Coast Guard to ensure that women are granted permanent commission. "Women cannot be left out. If you do not do it, we will do it. So take a look at that," Chief Justice of India D.Y. Chandrachud, heading a three-judge bench, addressed Attorney General K. Venkatesh, appearing for the Centre.

Mr. Venkatesh had pointed to functional and operational difficulties in granting permanent commission to Short Service Commission Officers. "You must have women on board," Chief Justice Chandrachud stood firm, adjourning the case to Friday.

The top court was hearing a plea filed by Indian Coast Guard officer Priyanka Tyagi seeking the grant of permanent commission to eligible women Short Service Commission Officers of the force.



From standstill: The Supreme Court had frowned on the government's suggestion to allow 10% women permanent commission. FILE PHOTO

"You speak of 'nari shakti' (woman power). Now show it here. You are in the deep end of the sea in this matter. You must come up with a policy which treats women fairly," the court had observed in an earlier hearing.

'Patriarchal approach' It had wondered whether the Centre was adopting a 'patriarchal approach' despite judgments upholding permanent commis-

sions to women officers in the armed forces. "Why are you being so patriarchal? You do not want to see the face of women in the Coast Guard... Now, the Coast Guard must come up with a policy," the top court had said.

The Supreme Court had frowned on the government's suggestion to allow 10% women permanent commission, saying women were no "lesser beings".

3. WTO MC13 -Agenda for India

GS 2 (International Relations)

- **Why in News:**
 - The four-day 13th ministerial conference (MC13) started on February 26 in Abu Dhabi, the United Arab Emirates (UAE).
 - The Indian delegation is led by Commerce and Industry Minister Piyush Goyal.
- **About World Trade Organization (WTO)**
 - WTO is the only global international organization dealing with the rules of trade between nations.
 - The goal is to help producers of goods and services, exporters, and importers conduct their business.
 - WTO is a forum for governments to negotiate trade agreements. It is also a place for them to settle trade disputes.

India seeks permanent solution to public food stockpile issue at WTO meet

Press Trust of India
NEW DELHI

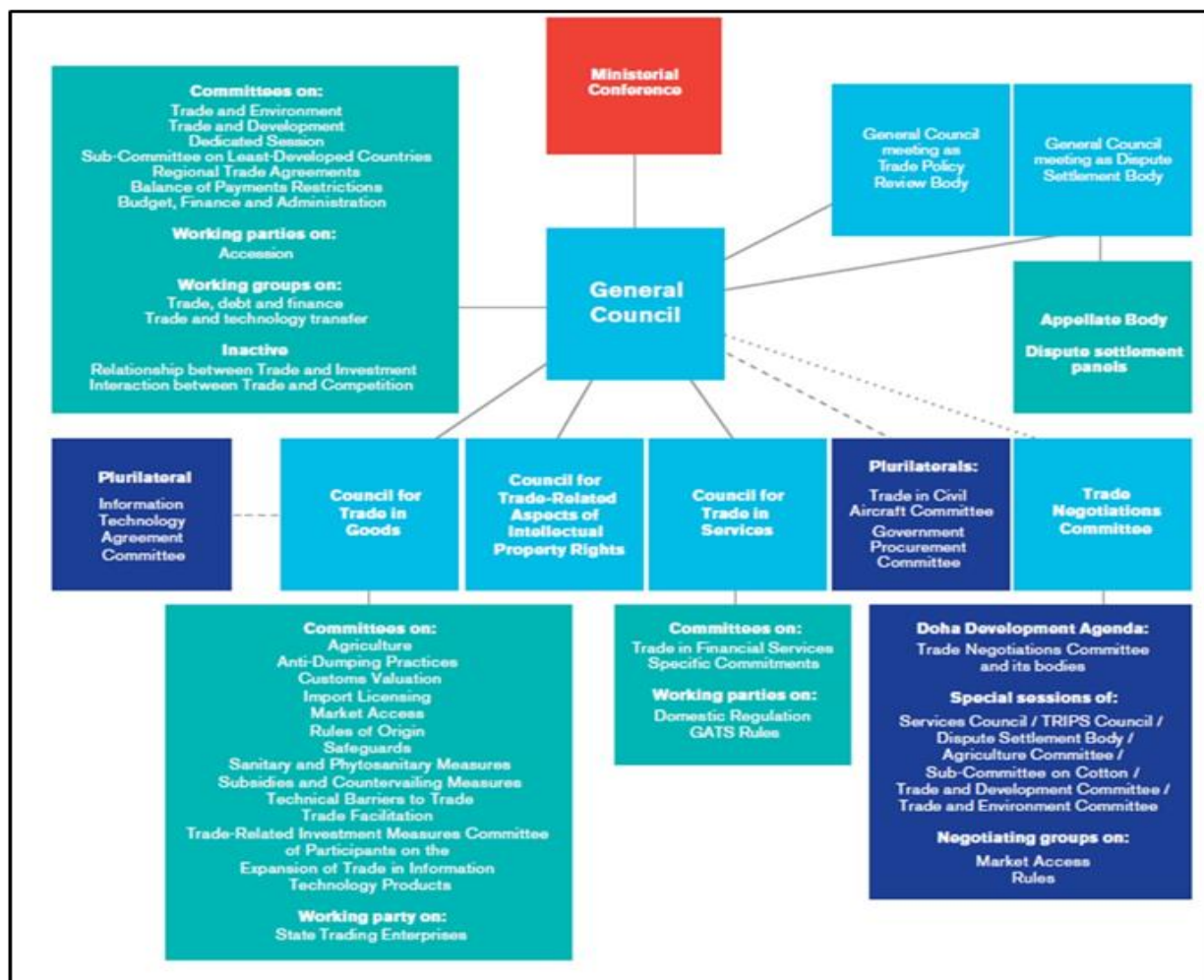
India on Monday called on WTO members to find a permanent solution to the long-pending public food stockpile issue, saying it is directly related to achieving the sustainable development goal of zero hunger by 2030.

Commerce and Industry Minister Piyush Goyal said the World Trade Organisation (WTO) should not regulate rules on non-trade-related subjects like climate change, gender, and labour and rather these should be addressed in respective inter-governmental organizations.

"I re-emphasise that the development agenda without a permanent solution to public food stockpiling (PSH) for food security is directly related to achieving the Sustainable Development Goal of Zero Hunger by 2030," Mr. Goyal said.

This continues to be a long-pending issue for the last few decades and deserves having a clear mandate agreed by the members in the past. Finding a permanent solution on food security is an unacknowledged agenda on which we have to deliver in MC13. Trade ministers of 164 WTO-member countries are gathering in Abu Dhabi for the 13th ministerial conference (MC13).

- It was created by Uruguay Round negotiations (1986-94) and is headquartered in Geneva.
- **Functions of WTO**
 - Administering trade agreements
 - Acting as a forum for trade negotiations
 - Settling trade disputes
 - Reviewing national trade policies
 - Building the trade capacity of developing economies
- **Structure of WTO**
 - The WTO has 164 members, accounting for 98% of world trade.
 - Accession processes for Comoros and Timor-Leste are nearing completion, paving the way for their WTO entry.
 - Decisions are made by the entire membership. This is typically by consensus.
 - The **WTO's top-level decision-making body is the Ministerial Conference**, which meets usually every two years.



- **13th ministerial conference (MC13) of WTO**
 - MC13 of WTO will take place from February 26–29, 2024 in Abu Dhabi, United Arab Emirates.
 - The conference will bring together trade ministers from around the world to:
 - Review the functioning of the multilateral trading system
 - Take action on the future work of the WTO
 - Chart the future course of the WTO
- **India's agenda at the meeting**
 - **Food security issues**
 - Under the public stockholding (PSH) programme, the Government procures crops like rice and wheat from farmers at a minimum support price (MSP), and stores and distributes foodgrains to the poor.
 - India stresses the need for PSH for its large, vulnerable population and wants a **permanent solution from the MC13**.
 - Food procurement, stockholding, and distribution are crucial to India's food security strategy

- MSP is normally higher than the prevailing market rates and sells these at a low price to ensure food security for over 800 million beneficiaries.
- However, the **WTO's Agreement on Agriculture limits the ability of a government to purchase food at MSP.**
 - Under global trade norms, a WTO member country's food subsidy bill **should not breach the limit of 10 per cent of the value of production based on the reference price of 1986-88.**
- As part of the solution, India has asked for measures like amendments in the formula to calculate the food subsidy cap.
- However, developed nations are of the view that such programmes distort global trade prices of food grains.
- **Joint Support Initiatives (JSIs) or plurilateral agreements**
 - India opposes this move being pushed for certain nations.
 - E.g., India is strongly opposing the efforts of a group of countries led by China to push a proposal on investment facilitation for development agreement at the WTO.
 - India has maintained that this agenda falls outside the mandate of the global trade body.
- **Agricultural reforms**
 - India's stance is to protect farmer livelihoods and ensure equitable market access.
 - However, developed nations are pushing to reduce domestic support and increase market openness irrespective of the fact that they provide large subsidies to their rich farmers.
- **WTO reforms**
 - India supports fair reforms that take into account the needs of developing countries.
 - This is in response to proposals from developed nations for easier negotiation processes, moving away from unanimous decision-making, and adding non-trade issues to the WTO without agreement from everyone.
 - India supports efforts to improve the working of the WTO but its key pillars to be retained. These pillars are:
 - special and differential treatment for less developed and developing nations,
 - equal voice and
 - dispute settlement mechanism.
 - India also seeks a revamp of the Appellate Body to ensure fairness.
- **Fisheries subsidies**
 - The members have already reached the first part of the agreement in 2022 under which subsidies will be prohibited for illegal, unreported and unregulated (IUU) fishing.
 - Now they are negotiating to curb subsidies that contribute to overfishing and overcapacity to promote sustainable fishing.
 - India champions a balanced approach on the principle of common but differentiated responsibilities.
 - India, being a low fisheries subsidizer, emphasizes that advanced fishing nations have historically provided substantial subsidies and contributed to fish stock depletion.
 - Hence, they should bear more responsibility based on the 'polluter pay principle'.
 - India has proposed that:
 - developing countries be allowed to give subsidies to their poor fishermen to catch fish till EEZs or up to 200 nautical miles from the shore;
 - rich countries engaged in fishing beyond this zone should stop providing any kind of subsidies for the next 25 years.
- **Extension of customs duties moratorium on e-commerce trade**
 - The ongoing moratorium on customs duties on electronic transmissions, in place since 1998, is a contentious issue facing the WTO.
 - **India, alongside several other developing nations, has historically called for the termination of the moratorium.**
 - India has specific demands at MC13 to achieve this goal.
 - Developed nations, however, are pushing for the permanent adoption of a duty-free flow of digital transmission.
- **Barriers to trade**

- India would maintain its stand that issues like labour, and environment are non-trade issues and they should not be discussed at the WTO.
- It also emphasised that trade barriers like the EU's carbon tax and deforestation regulation should not be erected under the guise of sustainable development.
 - As per India, there are different multilateral forums like in the United Nations where these issues can be discussed
- Developed countries are also pushing to include women economic empowerment issues in the WTO talks.

4. Govt depts red-flag high duties to curb China imports

GS 3 (Economy)

- Why in News:** The Centre's move to progressively hike customs duties, especially the more recent offensive targeted at imports of **Chinese components and inputs**, needs to be reviewed as it can threaten the domestic economy.
- Brief Background**
 - The blockade targeting Chinese imports gained traction across Central ministries and departments in the aftermath of the Galwan border clash since 2020.
 - China accounts for 14 per cent of India's imports with not just inputs for the domestic industry in sectors ranging from electronics to pharmaceuticals and textiles to leather, but also **capital goods**, being sourced from China.
- What is Protectionism?**
 - Protectionism** refers to government policies that limit international commerce in order to benefit home companies and stimulate domestic investment in a particular industry.
 - Protectionist policies are typically intended to boost domestic economic activity, but they can also be enacted to address safety or quality problems.
 - Tools of Protectionism:** Tariffs, Quotas, Subsidies, Anti-dumping duties
- Protectionist policies followed by India:**
 - Aatmanirbhar Bharat
 - Increase in tariffs
 - Anti-Dumping duty
 - Food protectionism
 - Vaccine nationalization
 - Opting out from RCEP

TRADE DIPLOMACY WITH CHINA

Govt depts red-flag high duties to curb China imports, seek nuance in strategy



Tariffs up last 8 yrs; Commerce Ministry denies protectionism

RAVIDUTT MISHRA & ANIL SAKS

NEW DELHI, FEBRUARY 25

MULTIPLE WINGS in the government have started to red-flag the Centre's moves to progressively hike customs duties, especially the more recent offensive targeted at imports of Chinese components and inputs. A section within the government is in favour of a more nuanced approach in using tariffs as a diplomatic tool, fearing which there is

a possibility of the gains of India's manufacturing-focused thrust that include schemes such as Production-Linked Incentive (PLI) being squandered away. What cannot be missed is that China still accounts for 14 per cent of India's imports with not just inputs for the domestic industry in sectors ranging from electronics to pharmaceuticals and textiles to leather, but also capital goods, being sourced from China. This, coupled with the fact that average tariffs in India have jumped to 18.1 per

cent in 2022 from 13 per cent eight years ago in 2014, has made India uncompetitive vis-à-vis countries such as Vietnam, Thailand and Mexico. In fact, much of the protests from ministries have come after the industry warned of the detrimental impact of higher tariffs being used as a protectionist tool. The blockade targeting Chinese imports, which gained traction across Central ministries and departments in the aftermath of the Galwan border clash

EXPLAINS Why India Inc wants lower duty

WHILE INDIA Inc has mostly been at the forefront of pushing for protectionist measures including tariff and non-tariff barriers, it is the industry itself which wants the government to reduce duties on imports of capital goods and key inputs across sectors.

CONTINUED ON PAGE 2

Benefits	Disadvantages
<ul style="list-style-type: none"> More Growth Opportunities Lower Imports More Jobs Higher GDP Benefits for local producers 	<ul style="list-style-type: none"> Restricting the trade flow Stagnation in technological advancement Limited choices for consumers Inflationary effect Economic isolation Uncompetitive domestic industries Against WTO norms

- What are the impacts of such blockade?**

- **Impact on important sectors:** The blockade targeting Chinese imports is now seen to be impacting sectors such as **electronics and pharmaceuticals**.
- **Loss in domestic output:** The roadblocks to imports in these sectors is leading to a loss of domestic output.
- **Restriction on necessary input material:** To check cheap quality imports from China, India imposed **Quality Control Orders (QCOs)** that restrict MSMEs from getting necessary input material.
- **Loss of competitive advantage:** It is leading to a loss of competitive advantage for Indian manufacturing.
 - **Uncompetitive atmosphere:** The average tariffs in India have jumped to 18.1 per cent in 2022 from 13 per cent eight years ago in 2014, has made India uncompetitive vis-a-vis countries such as Vietnam, Thailand and Mexico.
- **Threatened supply chain:** India's high tariffs pose a disincentive to de-risking supply chains beyond China. As a result, countries such as **Vietnam, Thailand and Mexico** are offering lower tariffs on components to grab the space vacated by China.
- **Ministry of Electronics and Information Technology (MeitY) on the issue**
 - Ministry of Electronics and Information Technology (MeitY) relayed concerns about high production cost due to high tariffs to the Finance Ministry.
 - MeitY had pushed for a lowering of duties of about 20 per cent on parts including circuit boards, chargers and fully assembled phones, by at least 5 percentage points.
 - This was partly agreed to and the government reduced duty on several IT goods ahead of the **Interim Budget 2024**.
- **Why India's trade with China is important?**
 - **Top source of imports:** India's trade with China is important because, for the last 15 years, China has been India's top source of imports.
 - **Double share:** To put these numbers in perspective, in these two years, the second biggest source of imports for India was the UAE, with an import share of 6.7 per cent in 2020-21 and 7.31 per cent in 2021-22. These numbers indicate that China is not only India's biggest source of imports, but its share in total Indian imports is also more than **double that of the UAE**.
 - **Dominance in non-oil merchandise imports:** In total non-oil merchandise imports, China's dominance is even more pronounced. As oil imports account for 25-30 per cent of India's total imports, India's dependence on China for non-oil imports can be as high as 25 per cent or more.
 - **Export Market:** China is a big market for Indian exports, as well. China has been among the top four export markets for India in the last few years. After Covid, India's exports to China have gone up.
- **The trade numbers**
 - India-China trade continues to remain high despite bilateral tensions as the total trade last year climbed to a record **USD 136.2 billion** with India's trade deficit mounting to USD 99.2 billion, a tad lower than last year.
 - **China's exports to India** stood at USD 117.7 billion, a bit lower compared to USD 118.5 billion last year, according to the annual trade data covering the period from January to December 2023 released by Chinese customs last month.
 - **India imports from China:** Electrical machinery and equipment, fertilizer, antibiotics and organic compounds.

- **China's imports from India** totalled USD 18.5 billion slightly higher last year compared to the 2022 figure of USD 17.48 billion.
 - **India's top exports to China:** Diamonds, cotton yarn, iron ore, copper and organic chemicals.

Merchandise trade with China and India's total merchandise trade

TABLE
(\$ billion)

	Imports from China	Exports to China	Trade deficit with China	India's total trade deficit
2014-15	60.41	11.93	-48.48	-137.69
2015-16	61.71	9.01	-52.7	-118.72
2016-17	61.28	10.17	-51.11	-108.5
2017-18	76.38	13.33	-63.05	-162.05
2018-19	70.32	16.75	-53.57	-184
2019-20	65.26	16.61	-48.65	-161.35
2020-21	65.21	21.19	-44.03	-102.63
2021-22	94.57	21.26	-73.31	-191.05

Source: Ministry of Commerce

5. Sweden to join NATO

GS 2 (International Relations)

- **Why in News:** Sweden is set to join NATO after Hungary's parliament ratified its bid.
- **Brief Background**
 - Hungary's decision comes two years after both Sweden and Finland applied to join NATO in May 2022 following Russia's full-scale invasion of Ukraine.
 - **Why Hungary's approval was required?** All members of NATO must give their approval before another country is able to join.
 - **Break from neutrality:** Sweden has not been involved in a war since 1814 and has "pursued a policy of non-alignment in peacetime and neutrality in wartime, basing its security on a strong national defense. Sweden's entry into NATO move signals a break from a history of neutrality for both countries.
 - **Reducing the vulnerability:** Sweden's NATO membership strengthens alliance in Baltic Sea region.
 - **Sense of security:** At the time that Russia's invasion threatened Europe's security order and made Sweden's need for guaranteed security granted through NATO membership apparent.
 - **Reinforcing the Baltic states:** Three countries breathing a particular sigh of relief over the entry of Sweden - and Finland - are NATO's Baltic states, Estonia, Latvia and Lithuania, long seen as an Achilles heel for the alliance.
 - **Kaliningrad threat:** Beyond its long Baltic coastline, Sweden brings with it the island of Gotland which would play a central role in helping NATO impose its will. But just across the water, Russia has its vital outpost -- the exclave of Kaliningrad.
 - Wedged between Poland and Lithuania, Moscow has in recent years turned the region into one of the most militarised in Europe, with nuclear-capable missiles stationed there.

32ND MEMBER OF U.S.-LED ALLIANCE Sweden clears final hurdle to join NATO as Hungary approves bid

Sweden is leaving 200 years of neutrality behind, says PM

REUTERS

BUDAPEST, STOCKHOLM, FEBRUARY 26

HUNGARY'S PARLIAMENT approved Sweden's NATO accession on Monday, clearing the last hurdle before the historic step by the Nordic country whose neutrality lasted through two world wars and the simmering conflict of the Cold War.

Hungary ended months of delay to complete Sweden's security policy shift and followed a visit by Swedish Prime Minister Ulf Kristersson Friday, at which the two countries signed an arms deal.

"Sweden is leaving 200 years of neutrality and military non-alignment behind," Kristersson told a news conference.

"We are joining NATO in order to defend what we are and everything we believe in even better. We are defending our freedom, our democracy and our values, together with others."

Hungarian Prime Minister Viktor Orban's government has faced pressure from NATO allies to fall in line and seal Sweden's accession to the alliance. NATO Secretary General Jens Stoltenberg immediately welcomed the move.



Sweden's PM Ulf Kristersson in Stockholm; Hungary's PM Viktor Orban in Budapest, on Monday. Reuters

"Sweden's membership will make us all stronger and safer," he said. While Finland joined NATO last year, Sweden was kept waiting as Turkey and Hungary, which maintain better relations with Russia than other members of the U.S.-led alliance, raised objections.

Turkey demanded tougher action against militants from the Kurdistan Workers' party (PKK); it said had made a home in Sweden. Sweden released rules over arms sales to assuage Turkey.

President Tayyip Erdogan also linked ratification with US sales of F-16 fighter jets to Turkey, who now expects the US to work on getting a Congress endorsement.

SWEDEN'S PATH TO ALLIANCE

FEB 24, 2022: Russia invades Ukraine. Swedish PM rules out joining NATO citing regional peace

MAY 18: Finland and Sweden hand official applications to NATO. Canada, Iceland, Norway & Denmark become first members to approve on July 5

MARCH 22, 2023: Centre-right coalition comes to power in Sweden. Lawmakers approve joining NATO.

APRIL 4: Finland becomes 31st member

JAN 23, 2024: Turkish parliament approves Sweden's bid

FEB 26: Hungary votes to ratify Sweden's bid to join NATO

- Sweden's entry makes it easier for NATO to exert control and reinforce its vulnerable Baltic states, Russia can still menace the region from heavily-armed exclave Kaliningrad and threaten undersea infrastructure.
- **What is NATO?**
 - **North Atlantic Treaty Organization (NATO)**, a military alliance established by the North Atlantic Treaty (also called the Washington Treaty) of April 4, 1949, sought to create a counterweight to Soviet armies stationed in central and eastern Europe after World War II.
 - It was the **US's first peacetime military alliance** outside the **western hemisphere**.
 - **Objectives of NATO:**
 - **Political objectives:** NATO promotes democratic values and enables members to consult and cooperate on defence and security-related issues to solve problems, build trust and, in the long run, prevent conflict.
 - **Military Objectives:** NATO is committed to the peaceful resolution of disputes. If diplomatic efforts fail, it has the military power to undertake crisis-management operations.

6. What is the new FPI Fraud SEBI has Warned Investors Against?

GS 3 (Economy)

- **Why in News:**
 - The markets regulator Securities and Exchange Board of India (SEBI) has warned individuals against fraudulent trading platforms.
 - The SEBI has warned that certain trading platforms are falsely claiming or suggesting affiliation with its registered Foreign Portfolio Investors (FPIs).
- **What is Foreign Portfolio Investment (FPI)?**
 - Foreign Portfolio Investment (FPI) involves an investor buying foreign financial assets. It involves an array of financial assets like **fixed deposits, stocks, and mutual funds**.
 - All the investments are passively held by the investors. Investors who invest in foreign portfolios are known as **Foreign Portfolio Investors**.
 - Foreign Portfolios **increase the volatility**. As a result, it leads to increased risk.
 - The intent of investing in foreign markets is to diversify the portfolio and get good return on investments.
 - Investors expect to receive high returns owing to the risk they're willing to take
 - **Securities and Exchange Board of India (SEBI)** operates the FPIs.
 - Recently, SEBI has introduced the **Foreign Portfolio Investors Regulations, 2019**.
 - FPIs also need to follow the **Income-tax Act, 1961** and **Foreign Exchange Management Act, 1999**.
- **Benefits of FPI:**
 - **Investment Diversity:**
 - FPI provides investors an opportunity to diversify their portfolio.
 - As an investor, you can diversify your portfolio to achieve high returns.
 - Suppose if you incur major losses in investment assets of a Country X, you can accrue profits in investment assets of a country Y.
 - In this way, you can experience less volatility in your investments and increase chances of profits.
 - **International Credit:**
 - Investors can get access to increased amounts of credit in foreign countries.
 - They can broaden their credit base. By expanding their credit base, investors can secure their line of credit.
 - In case the domestic credit score is unfavorable, having an international credit score can be beneficial.

Fraudulent trading via FPIs: What is it & why has Sebi warned against it?

HITESH VYAS
MUMBAI, FEBRUARY 26

SECURITIES AND Exchange Board of India (Sebi) has warned individuals against fraudulent trading platforms, which are falsely claiming or suggesting affiliation with its registered Foreign Portfolio Investors (FPIs). These platforms are misleading individuals by claiming to offer them trading opportunities through FPI or Foreign Institutional Investor (FII) sub-accounts or institutional accounts with special privileges.

What is the modus operandi?

Sebi said it has received many complaints wherein fraudsters are enticing victims through online trading courses, seminars, and mentorship programs in the stock market,

leveraging social media platforms like WhatsApp or Telegram, as well as live broadcasts.

These scamsters are posing as employees or affiliates of Sebi-registered FPIs, and coaxing individuals into downloading applications that purportedly allow them to purchase shares, subscribe to IPOs, and enjoy 'institutional account benefits'—all without the need for an official trading or Demat account.

These operations often use mobile numbers registered under false names to orchestrate the fraudulent schemes, Sebi.

What has SEBI said?

The market regulator clarified that the FPI investment route is unavailable to resident Indians, with limited exceptions as outlined in the SEBI (Foreign

Portfolio Investors) Regulations, 2019.

"There is no provision for an 'Institutional Account' in trading and direct access to the equities market requires investors to have a trading and Demat account with a SEBI-registered broker/trading member and depository participant (DP) respectively," the regulator said.

The market regulator has not granted any relaxations to FPIs regarding securities market investments by Indian investors.

What should investors do?

Sebi has urged investors to exercise caution and to steer clear of any social media messages, WhatsApp groups, Telegram channels, or apps claiming to facilitate stock market access through FPIs or FIIs registered with Sebi.

- This allows the investor to utilize more leverage and get high returns on equity investment.
- **Access to a Bigger Market:**
 - Sometimes, foreign market can be less competitive than the domestic market.
 - Hence, FPI gives you an exposure to a wider market.
 - The foreign markets are comparatively less saturated and hence, they may offer higher returns and more diversity as well.
- **High Liquidity:**
 - Foreign Portfolio Investments provides high liquidity
 - An investor can buy and sell foreign portfolios seamlessly.
 - This offers buying power for investors to act when good buy opportunities arise.
 - Investors can buy and sell trades in a quick and seamless manner.
- **Exchange Rate Benefit:**
 - An investor can leverage the dynamic nature of international currencies.
 - Some currencies can drastically rise or fall, and a strong currency can be used in investor's favour.
- **Difference Between FPI and FDI:**

Parameters	FDI	FPI
Definition	FDI refers to the investment made by foreign investors to obtain a substantial interest in an enterprise located in a different country.	FPI refers to investing in the financial assets of a foreign country, such as stocks or bonds available on an exchange.
Role of Investor	Active Investor	Passive Investor
Type	Direct Investment	Indirect Investment
Degree of Control	High Control	Very Low Control
Investment Done On	Physical assets of the foreign country	Financial assets of the foreign country
Term	Long Term	Short Term
Entry & Exit	Difficult	Relatively Easy
Leads to	Transfer of funds, technology, and other resources to the foreign country	Capital inflows to the foreign country
Risk	Stable	Volatile

- **News Summary:**
 - The markets regulator Securities and Exchange Board of India (SEBI) has warned individuals against fraudulent trading platforms falsely claiming or suggesting affiliation with its registered Foreign Portfolio Investors (FPIs).
 - These platforms are **misleading individuals by claiming to offer them trading opportunities through FPI or Foreign Institutional Investor (FII) sub-accounts or institutional accounts with special privileges.**
 - The SEBI said it has received many complaints where fraudsters are enticing victims through online trading courses, seminars, and mentorship programmes in the stock market.
 - They are leveraging social media platforms like WhatsApp or Telegram, as well as live broadcasts
 - These scamsters are posing as employees or affiliates of SEBI-registered FPIs, and coaxing individuals into downloading applications.
 - These applications purportedly allow them to purchase shares, subscribe to IPOs, and enjoy 'institutional account benefits'—all without the need for an official trading or Demat account.
 - These operations often use mobile numbers registered under false names to orchestrate the fraudulent schemes, SEBI, said.
- **SEBI's Clarification:**
 - The market regulator clarified that the FPI investment route is unavailable to resident Indians, with limited exceptions as outlined in the **SEBI (Foreign Portfolio Investors) Regulations, 2019.**
 - SEBI has not granted any relaxations to FPIs regarding securities market investments by Indian investors.

28th Feb, 2024

1. India's First Indigenous Space Mission

GS 3 (Science and Tech)

- **Why in News:** Group Captains Prasanth Balakrishnan Nair, Ajit Krishnan and Angad Pratap, and Wing Commander Shubhanshu Shukla carry on their shoulders the aspirations of 1.4 billion Indians as preparations for the country's first manned space mission gather steam.
- **About Gaganyaan Mission**
 - Gaganyaan literally means 'celestial vehicle'.
 - The spacecraft will carry the IAF pilots to an orbit of 400 km on a three-day mission before bringing them back safely with a landing in the Indian seaways.
 - The Gaganyaan mission aims to demonstrate the capability to launch human beings (three crew members) to **low earth orbit (LEO)** and bring them back safely to earth by landing them in either the **Bay of Bengal** or the **Arabian Sea**.
 - **Launch Vehicles:** The **Launch Vehicle Mark-3 (LVM3)** is the launch vehicle for the **Gaganyaan mission**.
 - All systems in the LVM3 launch vehicle are reconfigured to meet human rating requirements and named **Human Rated LVM3 (HLVM3)**.
 - HLVM3 consists of **Crew Escape System (CES)** powered by a set of quick acting, high burn rate solid motors which ensures that Crew Module along with the crew is taken to a safe distance in case of any emergency either at launch pad or during ascent phase.
- **How this mission will be conducted?**
 - The mission consists of four test flights, including two uncrewed flights and one flight with a humanoid robot, before the final crewed flight.
 - **Flight Test Vehicle Abort Mission-1 (TV-D1):** The first test flight, called Flight Test Vehicle Abort Mission-1 (TV-D1), was successfully launched in October 2023, to demonstrate the crew escape system that can protect the astronauts in case of a rocket malfunction.
 - **Flight Test Vehicle Abort Mission-2 (TV-D2):** The second test flight, called Flight Test Vehicle Abort Mission-2 (TV-D2), will be launched in 2024 to test the orbital module and re-entry technologies.
 - **Vyommitra:** The third test flight, called Flight Test Vehicle Abort Mission-3 (TV-D3), will be launched in 2024 with a humanoid robot named **Vyommitra** that will simulate human functions and communicate with the ground station.
 - **Astronauts:** The fourth and final test flight, called Flight Test Vehicle Abort Mission-4 (TV-D4), will be launched in 2025 with three astronauts on board.
- **What is the role of Gaganyaan Mission?**
 - Gaganyaan mission is not only a scientific and technological endeavor, but also a national and global aspiration. The mission has a significant role to play in various aspects, such as:
 - **Enhancing India's Scientific and Technological Capabilities:** Gaganyaan mission will provide valuable data and insights on various phenomena such as **microgravity, radiation, human physiology**, etc.
 - **Inspiring Young Generations:** Gaganyaan mission will inspire young generations to pursue careers in science, technology, engineering and mathematics (STEM) fields.

Four IAF pilots named as possible Gaganyaan crew

Announcement was made in the presence of PM Modi at Vikram Sarabhai Space Centre; they have been undergoing training in Russia and at ISRO Astronaut Training Facility in Bengaluru

Tiki Rajeev
THIRUVANANTHAPURAM

India on Tuesday announced the names of the four astronaut-designates for the Gaganyaan human spaceflight mission, planned for launch in 2025.

The names of the Indian Air Force (IAF) pilots – Group Captain Prasanth Balakrishnan Nair, Group Captain Ajit Krishnan, Group Captain Angad Pratap and Wing Commander Shubhanshu Shukla – were revealed for the first time in the presence of Prime Minister Narendra Modi during his visit to the Vikram Sarabhai Space Centre (VSSC) here.

The final crew for the mission will be picked from among the four.



The flagbearers: Prime Minister Narendra Modi bestows 'astronaut wings' to the astronaut designates for the mission, at the Vikram Sarabhai Space Centre in Thiruvananthapuram on Tuesday. (AI)

Shortlisted through a rigorous selection process, they have been undergoing training in various aspects of space flight, initially in Russia, and later at the Astronaut Training Facility established by ISRO in Bengaluru.

The Prime Minister presented the four with 'astronaut wings' on the occasion.

According to ISRO, the Gaganyaan programme is designed to demonstrate indigenous capability to undertake human space

India will have its own space station by 2035, says PM

THIRUVANANTHAPURAM Addressing ISRO scientists at the Vikram Sarabhai Space Centre, Prime Minister Narendra Modi said India will have its own space station by 2035. He said the nation would once again go to the moon and bring back samples from the lunar surface. » PAGE 10

flight mission to Low Earth Orbit (LEO). The mission is expected to pave way for a "sustained Indian human space exploration programme" in the long run.

CONTINUED ON
» PAGE 14

- **Contributing to Global Space Cooperation:** The mission will demonstrate India's commitment and capability to participate in international space endeavors such as **the International Space Station (ISS), the Artemis program, the Lunar Gateway, etc.**
- **Boosting India's Prestige and Soft Power:** Gaganyaan mission will boost India's prestige and soft power in the international arena as a space-faring nation. It will also enhance India's image and influence in global affairs.
- **Generating Social and Economic Benefits:** It will generate social and economic benefits for India, such as creating jobs, improving **education, health care, agriculture, disaster management, and environmental protection.**

• The Elite Group

- The Gaganyaan Mission will take India into an **elite club of nations** to have successfully sent their astronauts to space using indigenous rockets.
- The United States, Russia and China are the only other countries to have achieved this feat.
- The success of the Gaganyaan Mission will further elevate the status of the Indian Space Research Organisation (ISRO), which has had back-to-back achievements recently in the form of the **Chandrayaan Mission** to the moon and the **Aditya L-1 Mission** to study the sun.

2. '10,000 genome' project completed

GS 3 (Science and Tech)

- **Why in News:** The **Department of Biotechnology (DBT)** officially announced the **completion of the '10,000 genome' project** — an attempt to create a reference database of **whole-genome sequences out of India.**

• Distinct variations in Indian Population

- The Indian population of 1.3 billion consists of over 4,600 population groups, and many of them are endogamous.
- These factors have contributed to the **genetic diversity of the current population.**
- Thus, the Indian population harbours distinct variations and often many disease-causing mutations are amplified within some of these groups.

• What is Genome Sequencing?

- Genome sequencing involves revealing the order of bases present in the entire genome of an organism.
- While the sequence or order of base pairs is identical in all humans, there are differences in the genome of every human being that makes them unique.
- The process of deciphering the order of base pairs, to decode the genetic fingerprint of a human is called **genome sequencing.**

• What is the human genome?

- The human genome is the entire set of 23 large **deoxyribonucleic acid (DNA)** residing in the nucleus of every cell of each human body.
- It carries the complete genetic information responsible for the development and functioning of the organism.
- **Base:** The DNA consists of a double-stranded molecule built up by four bases –
 - adenine (A)
 - cytosine (C)
 - guanine (G)
 - thymine (T)

'10,000 genome' project completed, says govt.

Jacob Koshy
NEW DELHI

The Department of Biotechnology (DBT) on Tuesday officially announced the completion of the '10,000 genome' project — an attempt to create a reference database of whole-genome sequences out of India.

While India first sequenced a complete human genome in 2006, creating a database that is representative of India's population diversity is seen as a key step to being able to learn about genetic variations that are unique to India's population groups and use that to customise drugs and therapies.

About 20 institutions across India are involved in the project with the Indian Institute of Science (IISc), Bengaluru and the Centre for Cellular and Molecular Biology, Hyderabad being the lead institutions coordinating the project.

The Indian population of 1.3 billion consists of over 4,600 population groups, and many of them are endogamous. These factors have contributed to the genetic diversity of the current population. Thus, the Indian population harbours distinct variations and often many disease-causing mutations are amplified within some of these groups. "There are harmful mutations that are less prevalent in the world but located in endogenous groups at a high frequency (relative to their population) in India," said Kumaraswamy Thangaraj of the IISc and one of the leaders of the initiative. "This has been a revolutionary initiative but going ahead we will need to sample many more thousands of genomes to pick out more, rare mutations." The main outcomes would be to gain deeper insight into India's population diversity, improve diagnostic methods and medical counselling, find genetic predispositions to disease, develop personalised and customisable drugs, improve gene therapy and throw more light on individual susceptibility to infectious disease. V. Narahari of the IISc said the creation of a biobank housing 20,000 blood samples (from which genomes were sequenced) at the Centre for Brain Research, IISc, coupled with data archiving at the Indian Biological Data Centre "exemplified" the project's commitment to transparency, collaboration, and future research endeavours.



About 20 institutions across India are involved in the project. GETTY IMAGES

- Every base on one strand pairs with a complementary base on the other strand (A with T and C with G).
 - In all, the genome is made up of approximately 3.05 billion such base pairs.
- **Why it matters?**
 - A complete human genome makes it easier to study **genetic variation** between individuals or between populations.
 - A genome refers to **all of the genetic material in an organism**.
 - The human genome is mostly the same in all people, but a very small part of the DNA does vary between one individual and another.
 - It can help identify differences from the average human genome that are often associated with disorders and disease but can also be associated with other factors like **disease resistance or sensitivity** to an **environmental perturbation** like **sunlight or exercise**.
 - Genome sequencing has been used to evaluate rare disorders, preconditions for disorders, even cancer from the viewpoint of genetics, rather than as diseases of certain organs. Nearly 10,000 diseases — including **cystic fibrosis** and **thalassemia** — are known to be the result of a **single gene malfunctioning**.

3. Why Sustainable Funding matters for India's 'Science Power' Ambition GS 3 (Environment/ Science)

- **Background:**
 - The 2024 theme for National Science Day, which India celebrates every year on February 28, is **"Science for Sustainable Development"**.
 - Science and technological developments are key drivers of India's journey towards becoming a developed country by 2047.
 - India is committed to making this progress through sustainable means, as evidenced by its commitments under the **Paris Agreement**.
 - The role of science in driving sustainable development doesn't need emphasis.
 - However, any conversation on science is incomplete without setting one key expectation: **for science to transform India, it has to be sustainably and consistently funded**.
- **How Much is India Spending on R&D?**
 - Funding for fundamental research in India is amongst the world's lowest, particularly for a country with high science and technology ambitions.
 - In the recent past, **India's R&D expense has dropped to the current 0.64% of GDP from 0.8% in 2008-2009 and 0.7% in 2017-2018**.
 - This reduced expenditure is worrying considering government agencies themselves have issued several calls to double this spending.
 - The 2013 Science, Technology, and Innovation Policy noted that "Increasing Gross Expenditure on R&D (GERD) to 2% GDP has been a national goal for some time".
 - The 2017-2018 Economic Survey reiterated this in its chapter on science and technology transformation.
 - The reasons for the reduction in R&D spending despite the government being cognisant of the need to increase it are not clear.
 - However, it may stem from a **lack of coordination between government agencies and a need for stronger political will to prioritise R&D expenses**.
 - Most developed countries spend between 2% and 4% of their respective GDPs on R&D.
 - In 2021, **member-countries of the Organisation for Economic Co-operation and Development (OECD) on average spent 2.7% of GDP on R&D**.
 - The U.S. and the U.K. have consistently spent more than 2% of their GDPs on R&D for the past decade.
 - So, many **experts have called for India to spend at least 1%, but ideally 3%, of its GDP every year until 2047** on R&D for science to have a meaningful impact on development.
- **How Can India Improve its R&D Spending?**

Why science needs sustainable funding

How much is developed countries spend on research and development (R&D) as the 'Science and Technology' committee asked 'called to budget'.

How much is the science sector expenditure in India?

THE GST

What does sustainable funding mean?

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What does sustainable funding mean?

- For India to reach 'developed nation' status, it needs to spend more to scale R&D than developed countries spend to maintain that status.
- This is the foundation of the demand to spend at least 3% of the GDP on R&D annually until 2047.
- And beyond the current spending being inadequate, its primary dependence on public money signals an immature financing system and weak domestic market.
- In 2020-2021, private sector industry contributed 36.4% of the GERD whereas the Union government's share was 43.7%.
- State governments (6.7%), higher education (8.8%), and public sector industry (4.4%) were the other major contributors.
- **Hesitance of the Private Sector:**
 - In economically developed countries, a major share – 70% on average – of R&D investment comes from the private sector.
 - The hesitancy of private-sector funding may be because of:
 - poor capacity to evaluate R&D in India,
 - ambiguous regulatory roadmaps that can deter investors,
 - lack of clear exit options for investors in sectors such as biotechnology, and
 - fears of intellectual property rights theft.
- **How is the R&D Budget Utilised?**
 - While the need for India to at least double its R&D investment has been expressed several times, the question of how effectively the allocated money is spent is explored less often.
 - The Union Ministry of Science and Technology has consistently under-utilised its budget.
 - In 2022-2023, the **Department of Biotechnology (DBT), used only 72% of its estimated budget allocation** on Centrally Sponsored Schemes/Projects.
 - The **Department of Science and Technology (DST) used only 61%.**
 - The Department of Scientific and Industrial Research (DSIR), which receives the lowest allocation for Centrally Sponsored Schemes, spent 69% of its allocation.
- **Sustainable Funding for R&D is the Way Forward:**
 - In the latest budget, Finance Minister Nirmala Sitharaman provided many indications that the government would like R&D expenditure to include more contributions from the private sector.
 - Against this backdrop, mitigating the under-spending and under-utilisation of funds earmarked for R&D stand out as obvious first steps.
 - This in turn requires the political prioritisation of R&D spending and recognition of it as a core, irreplaceable element of India's growth journey.
 - This prioritisation has to happen not only within the concerned Ministries but also at the Ministry of Finance, which disburses the funds.
 - **Incentives for private investment, including relaxation of foreign direct investments, tax rebates, and clear regulatory roadmaps for products will help build investor confidence.**
 - Finally, India also needs the bureaucratic capacity to evaluate science projects and, after allocations, monitor utilisation.
 - Building such capacity is a prerequisite for India becoming a science power by 2047.

4. The Citizenship (Amendment) Act (CAA): Rules Likely to be Notified Before Poll Code **GS 2 (Governance)**

- **Why in News:**
 - According to the Ministry of Home Affairs (MHA), the rules for implementation of the Citizenship (Amendment) Act (CAA) are likely to be notified before the Model Code of Conduct (MCC) comes into force.
 - The CAA was enacted by Parliament in (December) 2019 and sparked protests around the country.
- **The Citizenship (Amendment) Act (CAA) 2019:**
 - **About:**

CAA rules likely to be notified before poll code, to seek proof of India entry, religion

DEEPTIMANTHIWARY
NEW DELHI, FEBRUARY 27

THE RULES for implementation of the Citizenship (Amendment) Act (CAA), which was enacted by Parliament in December 2019 and spawned protests in parts of the country, are likely to be notified within the next fortnight or so, sources in the Ministry of Home

Affairs (MHA) said Tuesday. "I cannot tell you the date, but they will be notified before the Model Code of Conduct (MCC) comes into force," an official of the MHA said.

The MCC comes into force when the Election Commission announces polls. It is expected that the Lok Sabha poll dates will be announced sometime next month.

Despite its enactment four years ago, the CAA could not be implemented because the rules were not notified.

Sources said the rules will specify the evidence needed for applicants to prove their credentials and eligibility for citizenship under the new law.

The CAA allows non-Muslim migrants from Pakistan, Bangladesh and Afghanistan to

apply for Indian citizenship through the naturalisation process – the applicants must belong to the Hindu, Sikh, Christian, Parsi, Jain and Buddhist communities. The legislation grants citizenship on the basis of the assumption that these communities faced religious persecution in these three Islamic countries.

CONTINUED ON PAGE 2

- The Act **seeks to amend the definition of illegal immigrant** for Hindu, Sikh, Parsi, Buddhist, Jains and Christian (but not Muslim) immigrants from Pakistan, Afghanistan and Bangladesh, who have lived in India without documentation.
- They will be **granted fast track Indian citizenship in 5 years** (11 years earlier).
- The Act (which amends the Citizenship Act 1955) also **provides for cancellation of Overseas Citizen of India (OCI) registration** where the OCI card-holder has violated any provision of the Citizenship Act or any other law in force.
- **Who is eligible?**
 - The CAA 2019 applies to those **who were forced or compelled to seek shelter in India** due to **persecution on the ground of religion**. It aims to protect such people from proceedings of illegal migration.
 - The cut-off date for citizenship is **December 31, 2014**, which means the applicant should have entered India on or before that date.
 - The act **will not apply to areas** covered by the Constitution's **sixth schedule**, which deals with autonomous tribal-dominated regions in Assam, Meghalaya, Tripura, and Mizoram.
 - Additionally, the act will not apply to states that have an **inner-line permit regime** (Arunachal Pradesh, Nagaland and Mizoram).
 - **Implementation of the law:** Despite its enactment four years ago, the CAA could not be implemented because the rules were not notified.
- **Why were CAA Rules not Notified?**
 - One of the prime reasons is the **vociferous opposition** faced by the CAA in several states including Assam and Tripura.
 - **The protests in Assam** were fuelled by fears that the legislation would permanently alter the demographics of the state.
 - The CAA is seen in Assam as a **violation of the 1985 Assam Accord** which allows foreign migrants who came to Assam after January 1, 1966 but before March 25, 1971 to seek citizenship.
 - The cut-off date for citizenship under the CAA is December 31, 2014.
 - **The protests didn't remain confined to the North-East**, but spread to other parts of the country.
 - A clutch of petitions, including by the Indian Union Muslim League, are before the Supreme Court, **challenging the constitutional validity of the CAA**.
 - The petitioners have contended that the law is **anti-Muslim, violating Article 14** (Right to Equality) of the Indian Constitution.
 - It is arbitrary as it **leaves out the persecuted Rohingya** of Myanmar, Tibetan Buddhists from China and Tamils from Sri Lanka.
- **Counterclaims in Response to the Petitions Against CAA:**
 - The Centre said the basis of the **"reasonable... classification"** made by the 2019 Act was not religion, but **"religious discrimination"** in neighbouring countries which are **"functioning with a state religion"**.
 - The Parliament, **after taking cognizance of the said issues over the course of the past 7 decades**, has taken into consideration the acknowledged class of minorities and has enacted the present amendment.
 - The CAA is a specific amendment which seeks to tackle a specific problem prevalent in the specified countries.
 - **The legislation was not meant to be an omnibus solution** to issues across the world.
 - The Indian Parliament cannot be expected to take note of possible persecutions that may be taking place across various countries in the world.
- **Rules for the CAA:**
 - **The rules will specify the evidence needed for applicants** to prove their credentials and eligibility for citizenship under the new law. **For example,**
 - If someone enrolled his children in a government school, he would have declared the religion.
 - If someone acquired Aadhaar before December 31, 2014 and declared his or her religion as one among the six mentioned in the Act, it will be acceptable.
 - Likewise, any form of government document declaring religion will be accepted.
 - The MHA may also accept a demand from Assam that an application for citizenship under the CAA is **time-bound**.
 - Assam had asked the MHA to limit the time period for applying under CAA to 3 months as keeping it open-ended could accentuate anxieties over the CAA in the state.
 - **The rules are not likely to ask for evidence of religious persecution** but will presume that all those who came to India did so because they either faced persecution or had fear of being persecuted.

Recent events of importance

- Recently, the Supreme Court came down heavily on Baba Ramdev' Patanjali Ayurved for publishing misleading advertisements.
- The apex court banned it from marketing its products until further orders are passed.

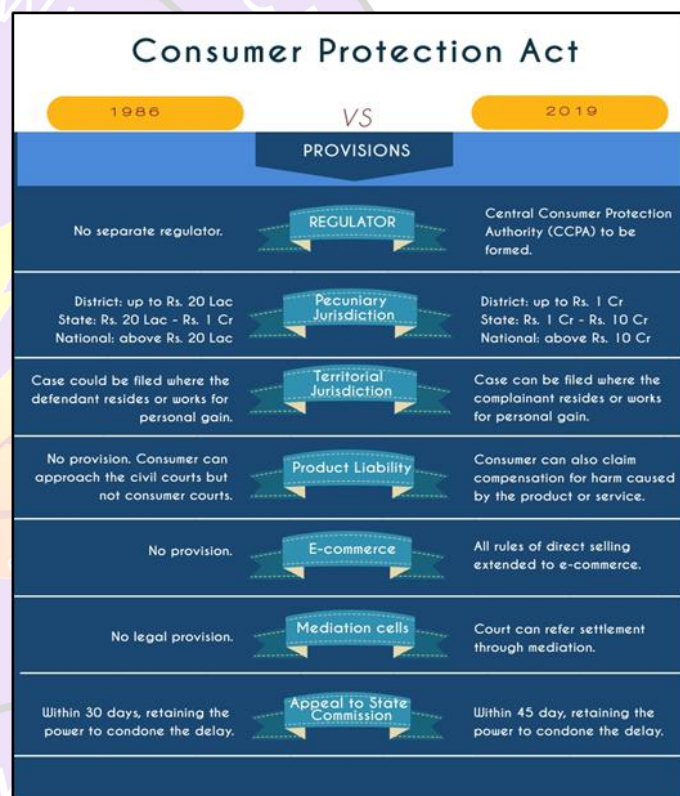
- The Consumer Protection Act, 2019 replaced the **Consumer Protection Act, 1986**, and seeks to widen its scope in addressing consumer concerns.
- The new Act recognises offences such as providing false information regarding the quality or quantity of a good or service, and misleading advertisements.
- It also specifies action to be taken if goods and services are found “dangerous, hazardous or unsafe”.
- The Act came into force in July 2020 and it will empower consumers and help them in protecting their rights through its various notified rules and provisions.

- **About:** The CCPA is a **statutory body** constituted under Section 10 of the Consumer Protection Act, 2019.
- **Mandate:** To protect the rights of the consumer by cracking down on unfair trade practices, and false and misleading advertisements that are detrimental to the interests of the public and consumers.
- **Concerned Ministry:** Ministry of Consumer Affairs, Food and Public Distribution
- **Powers & Functions of CCPA:** It is empowered to:
 - conduct investigations into violation of consumer rights and institute complaints / prosecution,
 - order recall of unsafe goods and services,
 - order discontinuation of unfair trade practices and misleading advertisements,
 - impose penalties on manufacturers/endorsers/publishers of misleading advertisements.

- In 2022, Patanjali published an advertisement titled “MISCONCEPTIONS SPREAD BY ALLOPATHY: SAVE YOURSELF AND THE COUNTRY FROM THE MISCONCEPTIONS SPREAD BY PHARMA AND MEDICAL INDUSTRY.”
- After this, the Indian Medical Association (IMA) filed a petition at the apex court.
- The petition details other instances where Baba Ramdev called allopathy a stupid and bankrupt science, and made claims about allopathic medicine being responsible for Covid-19 deaths.
- The IMA also accused Patanjali of contributing to vaccine-hesitancy during the pandemic by spreading false rumours.
- The IMA claims that these attacks against modern medicine come alongside Patanjali’s own efforts to make false and **unfounded claims about curing certain diseases through the use of Patanjali products**

- The IMA claimed that the advertisement was in direct violation of the **Drugs & Other Magical Remedies Act, 1954 (DOMA)**, and the **Consumer Protection Act, 2019 (CPA)**.
 - The publishing of false and misleading advertisements is an offence under both statutes.
- **Section 4 of the DOMA**

Supreme Court also restrains company from branding, advertising its products

[illegible]

- Under Section 4 of the DOMA, there is a prohibition against publishing misleading advertisements relating to a drug.
- Publishing a misleading advertisement under the DOMA is **punishable with up to six months imprisonment, and/or a fine for the first offence.**
- On the second offence, the period of imprisonment can extend to one year.
- **Consumer Protection Act, 2019**
 - Section 2(28) of the Consumer Protection Act, 2019 deals with the 'misleading advertisement'.
 - Section 89 of the CPA contains more stringent punishments for false or misleading advertisements.
 - First time violations may invite penalties up to Rs 10 lakh and imprisonment for a term which may extend to two years.
 - Subsequent violations may attract penalties up to Rs 50 lakh and imprisonment for a term which may extend to five years.
 - The CPA also provides the definition for a misleading advertisement.
 - It includes advertisements which:
 - give a false description of the product or service, partakes in unfair trade practices,
 - deliberately conceals important information, or is likely to mislead the consumer about the nature, substance, quantity or quality of the product or service.
- **Violation of MoU signed by the Ministry of AYUSH and the Advertising Standards Council of India**
 - The IMA has also highlighted the MoU signed by the Ministry of AYUSH and the Advertising Standards Council of India in January 2017.
 - AYUSH agreed to identify misleading advertisements that may be in violation of the DOMA, and send complaints to the Council for review.

6. Genie AI Model

GS 3 (Science and Tech)

- **Why in News:** Recently, Google DeepMind has just introduced Genie, a new model that can generate interactive video games from just a text or image prompt.
- **About Genie AI Model:**
 - It is a foundation world model that is **trained on videos sourced from the Internet.**
 - The model can **"generate an endless variety of playable (action-controllable) worlds from synthetic images, photographs, and even sketches."**
 - It is the first generative interactive environment that has been trained in an unsupervised manner from unlabelled internet videos.
 - **Specifications:** When it comes to size, Genie stands at **11B parameters** and consists of a **spatiotemporal video tokenizer**, an autoregressive dynamics model, and a simple and scalable latent action model.
 - These technical specifications let Genie act in generated environments on a frame-by-frame basis **even in the absence of training, labels, or any other domain-specific requirements**
 - Genie can be prompted to generate a **diverse set of interactive and controllable environments** although it is trained on video-only data.
 - It makes playable environments **from a single image prompt.**
 - It can be prompted with images it has never seen. This includes real-world photographs, and sketches, allowing people to interact with their imagined virtual worlds.
 - It is trained more on videos of **2D platformer games and robotics.**
 - Genie is trained on a general method, allowing it to function on any type of domain, and it is **scalable to even larger Internet datasets.**
 - The standout aspect of Genie is its ability to learn and reproduce controls for in-game characters exclusively from internet videos.
 - This is noteworthy because internet videos do not have labels about the action that is performed in the video, or even which part of the image should be controlled.
 - It allows you to create an entirely new interactive environment from a single image.

WHAT IS GOOGLE'S AI 'GENIE' THAT CAN TURN IMAGES INTO VIDEO GAMES?

BIJIN JOSE
NEW DELHI, FEBRUARY 27

GOOGLE'S AI venture DeepMind on Monday introduced Genie, a new generative AI (GenAI) model that can create interactive video games from just a text or image prompt. Genie can generate these games without prior training on game mechanics, which are essentially rules that make up a game.

What is Genie?

According to the official Google DeepMind blog post, Genie is a foundation world model — GenAI that can produce output from one or two inputs or prompts in the form of text, pictures, etc. — that is trained on videos sourced from the Internet.

The model can "generate an endless variety of playable (action-controllable) worlds from synthetic images, photographs, and even sketches".

Genie is the first generative interactive environment that has been trained in an unsupervised manner from unlabelled Internet videos, according to a research paper, Genie: Generative Interactive Environments, published by the team which has developed the model.

What does Genie do?

The research paper says that Genie is a new kind of GenAI that enables anyone to conjure up and step into generated worlds similar to human-designed simulated environments. Although it is trained on video-only data, Genie can be prompted to generate a diverse set of interactive and controllable environments.

Simply put, there are numerous GenAI models that produce creative content with language, images and even videos. Genie, however, can create playable environments from a single image prompt.

Why is it important?

The standout aspect of Genie is its ability to learn and reproduce controls for in-game characters exclusively from Internet videos. This is noteworthy as such videos do not have labels about the action that is performed in the video, or even about which part of the image should be controlled.

The model's ability to create an entire new interactive environment from a single image opens up many possibilities, especially new ways to create and step into virtual worlds. Genie is also a significant leap towards general AI agents — an independent programme or entity that interacts with its environments by perceiving its surroundings via sensors.

29th Feb, 2024

1. India's first indigenous green hydrogen fuel cell inland waterway vessel

GS 3 (Science and Tech)

- **Why in News:** Prime Minister Narendra Modi launched the country's **first indigenous green hydrogen fuel cell inland waterway vessel** under the **Harit Nauka** initiative in Tamil Nadu's Thoothukudi.
- **More on News:**
 - The **hydrogen-fueled electric vessel project** is part of India's transformative efforts on the innovative and new technology fronts on green energy and sustainable cost-effective alternate fuel front.
 - **Wide range of application:** Hydrogen fuel cells can be used in a wide range of applications, including transportation, material handling, stationary, portable, and emergency backup power applications.
 - **Environmental benefits:** Hydrogen fuel cell powered vessel have zero emission, zero noise and energy efficient which in turn reduce the effect of global warming.
 - **Promotion:** The inauguration of this project will provide impetus for using hydrogen in marine application as envisaged under **National Green Hydrogen Mission**.
 - **Competitive advantage:** Early adoption of hydrogen fuel cell technology in the marine sector will provide it a global competitive advantage where by meeting sustainable green energy aspiration.
- **Why hydrogen?**
 - India's commitment to a sustainable future aims for net zero emissions by 2070.
 - At the forefront of this endeavour is the adoption of green hydrogen as a maritime fuel.

PM Modi inaugurates country's first indigenous hydrogen fuel cell ferry

The Hindu Bureau
Kochi

Prime Minister Narendra Modi flagged off India's first indigenous built hydrogen fuel cell ferry boat in virtual mode here on Wednesday.

The vessel has been built at the Cochin Shipyard. The pilot vessel is a 24-metre catamaran which can carry 50 passengers. It also has a fully air conditioned space for passengers. It will make urban mobility smooth and easy, according to a release issued by the Cochin Shipyard Limited (CSL).



Brand new! Built by the Cochin Shipyard, the hydrogen fuel cell ferry boat can carry up to 50 passengers. SPECIAL ARRANGEMENT

The launch of the vessel was part of a major programme organised in Thoothukudi in Tamil Nadu to mark the laying of the foundation stone for a ₹1,300-crore project in

the district. The vessel built at the CSL underscores the pioneering step for embracing clean energy solutions and aligning with the nation's net-zero commitments, he said.

The hydrogen fuel vessel has fully home-grown technology and it can be replicated in other parts of the country for urban mobility application, according to the CSL.

Mr. Modi also said that the various rail projects launched on Wednesday will further boost connectivity between south Tamil Nadu and Kerala.

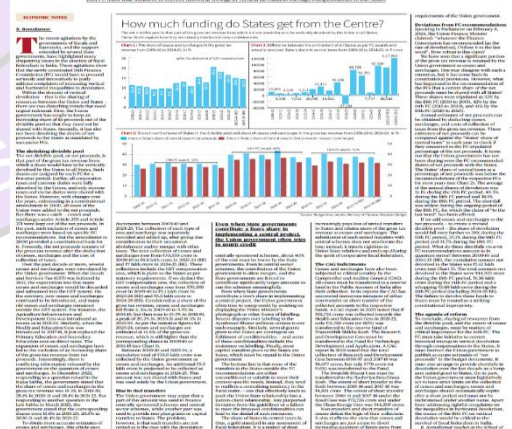
2. Irregularities in Vertical Devolution

GS 2 (Governance)

- **Background:**
 - Agitations by different State governments in New Delhi have highlighted many disquieting issues in the practice of fiscal federalism in India.
 - In light of this, the **16th Finance Commission** must take initiative to proceed innovatively to justly address complaints of increasing vertical and horizontal inequalities in devolution.
 - Vertical devolution that is the sharing of resources between the Union and States.
 - Within the domain of vertical devolution, there are two disturbing trends that need urgent redressal.
 - First, the Union government has sought to keep an increasing share of its proceeds out of the divisible pool so that they need not be shared with States.
 - Secondly, it has also not been devolving the shares of net proceeds to the States as mandated by successive FCs.
- **Shrinking of Divisible Pool of Taxes:**
 - The net divisible pool, or net proceeds, is that part of the gross tax revenue from which a share would have to be vertically devolved by the Union to all States.
 - Such shares are assigned by each FC for a five-year period.
 - Earlier, all corporation taxes and customs duties were fully absorbed by the Union, and only income taxes and excise duties were shared with the States.

On irregularities in vertical devolution

Agitations by different State governments in New Delhi have highlighted many disquieting issues in the practice of fiscal federalism in India. In light of this, the 16th Finance Commission must take initiative to proceed innovatively to justly address complaints of increasing vertical and horizontal inequalities in devolution.



- However, with changes over the years, culminating in a constitutional amendment in 2000, all taxes of the Union were added to the net proceeds.
 - But there was a catch — cesses and surcharges under **Article 270 and Article 271** were kept out of the net proceeds.
 - In the past, such exclusion of cesses and surcharges were based on specific FC recommendations. But the amendment in 2000 provided a constitutional basis for it.
 - Presently, the **net proceeds consist of the gross tax revenue after the deduction of cesses, surcharges and the cost of collection of taxes**
- **Cess, Surcharge & GST:**
 - Over the past decade or more, several cesses and surcharges were introduced by the Union government.
 - When the **Goods and Services Tax (GST) was initiated in 2017**, the expectation was that many cesses and surcharges would be discarded and subsumed into the GST system.
 - On the contrary, new cesses and surcharges continued to be introduced, and many old cesses and surcharges remained outside the GST system.
 - For instance, the Agriculture Infrastructure and Development Cess was introduced as recent as in 2021-22.
 - Similarly, when the Health and Education Cess was introduced in 2017-18, it just replaced the Primary Education and Secondary Education cess on direct taxes.
 - The **expansion of cesses and surcharges have led to the exclusion of an increasing share of the gross tax revenue from net proceeds.**
- **Rise in Tied Transfers:**
 - Cesses and surcharges have also been subjected to critical scrutiny by the Comptroller and Auditor General (CAG).
 - All cesses must be transferred to a reserve fund in the Public Account of India after their collection.
 - In its reports the CAG has uncovered numerous instances of either non-transfer or short transfer of the collected amounts to the respective funds.
 - A CAG report in 2023 noted that **if ₹52,732 crore was collected towards the Health and Education Cess in 2021-22, only ₹31,788 crore (or 60%) was transferred to the reserve fund of Prarambhik Shiksha Kosh**
 - The Research and Development Cess must be transferred to the Fund for Technology Development and Application.
 - A CAG report in 2019 noted that the total collection of Research and Development Cess between 1996-97 and 2017-18 was ₹8,077 crore, but only ₹779 crore (or 9.6%) was transferred to the Fund.
 - The Swatchh Bharat Cess must be transferred to the Rashtriya Swachhata Kosh.
 - The extent of short transfer to the Kosh between 2015-16 and 2017-18 was ₹4,891 crore.
 - The extent of short transfer between 2010-11 and 2017-18 under the Road Cess was ₹72,726 crore and under the Clean Energy Cess was ₹44,505 crore.
 - Non-transfers and short transfers of cesses defeat the logic of their collection.
 - It also reaffirms the view that **cesses and surcharges are just a ruse to divert increasing quantum of funds away from the divisible pool to meet other financial requirements of the Union government.**
- **Way Forward:**
 - Sharing of resources from the divisible pool, and the extent of cesses and surcharges, must be matters of critical importance for the 16th FC.
 - The FC must take initiative to correct historical wrongs in vertical devolution through compensations to the States.
 - It must instruct the Union government to publish accurate estimates of “net proceeds” in the budget documents.
 - It must also arrange to provide shortfalls in devolution over the last decade as a lump sum untied grant to States.
 - The Union government must legislatively act to have strict limits on the collection of cesses and surcharges.
 - **Cesses and surcharges should automatically expire after a short period and must not be rechristened under another name.**
 - Apart from addressing rightful complaints on the inequalities in horizontal devolution, the stance of the 16th FC on vertical devolution would be critical to the survival of fiscal federalism in India.

3. Pancheshwar Multipurpose Project

GS 2 (International Relations)

- **Why in News:** More than a month after India and Nepal signed the agreement on long-term power sharing, the two sides have not managed to make any forward movement on the stalled negotiations over the landmark **Pancheshwar Multipurpose Project (PMP)**.

Nepal-India official dialogue silent on landmark Pancheshwar project

Katil Bhattacharjee

More than a month after India and Nepal signed the agreement on long-term power sharing, the two sides have not managed to make any forward movement on the stalled negotiations over the landmark Pancheshwar Multipurpose Project (PMP).



During a meeting between the two sides, the two sides discussed the progress of the PMP project. The meeting was held in Kathmandu, Nepal, on February 1, 2023. The two sides discussed the progress of the PMP project and the need for a joint study to be conducted by the two countries. The meeting was held in Kathmandu, Nepal, on February 1, 2023.

cover the detailed project report (DPR) but the necessary discussion within the framework of the Pancheshwar Multipurpose Project (PMP) is still pending. The two sides discussed the progress of the PMP project and the need for a joint study to be conducted by the two countries. The meeting was held in Kathmandu, Nepal, on February 1, 2023.

- **What is Pancheshwar project?**

- The **Mahakali or Kali River** rises at an altitude of 3,600 meters in the Greater Himalaya range at Kalapani, in the Pithoragarh district of Uttarakhand
- This river forms the **natural border between India and Nepal in Uttarakhand**.
- **Kalapani** is near the **Lipu-Lekh pass** at the border between India, Nepal, and Tibet.
- The Kali river, which forms the boundary of India and Nepal, is also connected to the territorial dispute of **Kalapani-Limpiadhura-Lipulekh** as the river originates in the triangular area that is claimed by both countries.
- Once the Kali River descends from the Himalayan foothills and onto the **Gangetic plain**, at **Banbasa** near the town of Tanakpur, its name changes to the **Sharda River**.
- The river is a part of the **Ganga river system**, joining the main river near the city of **Madhubani**.
- This river is the center of the **Pancheshwar Dam**.
- The Pancheshwar multipurpose hydroelectric project is to be built over the Mahakali river jointly by the Indian and Nepalese Governments.
- The project involves the construction of two dams on the **river Mahakali**, for
 - irrigation, flood control, and;
 - generation of power for both countries
- The project is to come up near the Pancheshwar temple, 2.5 km downstream of the confluence of the **Mahakali and Sarju rivers**.

- **Why the project is not moving ahead?**

- The project is aimed at generating around 6,480 MW energy (to be divided equally between two sides), along with water for irrigation of 130,000 hectares of land in Nepal and 240,000 hectares of Indian territory, respectively.
- The project is stalled because the Indian and the Nepali sides are unable to come to a consensus on sharing of benefits.
 - While electricity is divided equally, India gets the lion's share of irrigation and flood control benefits.
- On the other hand, Kathmandu feels water is 'white gold' and India should pay Nepal for it.
- India cannot accept this claim as it challenges India's understanding of other water-based treaties, including the Indus Waters Treaty with Pakistan.

- **Possible consequences**

- **Possibility of destruction:** The project lies in areas with Seismic levels 4 to 5. If any mis-happening takes place and the dam is harmed, the destruction will be on a very heavy scale.
- **Vulnerable zone:** The project has a drainage area of -12,000 sq. km, out of which -2700 sq. km lies in the glacial and periglacial zones.
- **Affecting communities:** Communities on both sides of the Mahakali river – 31,023 families, close to 50,000 people or more, will be directly impacted.
- **Environmental concerns:** Biodiversity loss), Floods, Food insecurity, Loss of landscape/aesthetic degradation, Soil erosion, Deforestation and loss of vegetation cover, Surface water pollution / Decreasing water quality, and Groundwater pollution or depletion are some of the environmental issues faced by the project.

4. Law panel readies report on simultaneous polls

GS 2 (Governance)

• Why in News:

- As per various media reports, the 22nd Law Commission is set to recommend the addition of a new chapter on simultaneous polls in the Constitution.
- The 22nd Law Commission is headed by former Karnataka High Court Chief Justice Ritu Raj Awasthi.
- The commission's term has been extended until August 31, 2024.

• Law Commission in India:

- The Law Commission of India is a **non-statutory body constituted by the Union government**.
- It is a commission established to ensure that the laws formed are just and fair which work towards its proper implementation.
- It can be referred to as an ad hoc body, which is constituted for the fulfilment of a particular purpose.
- Basically, it works as an advisory body to the Ministry of Law and Justice.
- However, it is not defined under the Indian Constitution. **It is constituted as part of Article 39A.**
- Article 39A guarantees that no citizen is deprived of the opportunity to get justice due to a lack of resources or other impediments.

• Simultaneous elections in India: Meaning

- The concept of "**One Nation, One Election**" envisions a system in which all state and Lok Sabha elections must be held simultaneously.
- This will entail restructuring the Indian election cycle so that elections to the states and the centre coincide.
- This would imply that **voters will vote for members of the LS and state assemblies on the same day and at the same time** (or in a phased manner as the case may be).

• History of Elections in India

○ Era of simultaneous elections

- The first general elections of free India held simultaneously to the Lok Sabha and the Legislative Assemblies of the States in 1951.
- The **next three cycles of elections** also witnessed concurrent Lok Sabha and Legislative Assembly elections barring a few stray cases like:
 - Kerala where a mid-term election was held in 1960 on the pre-mature dissolution of the Assembly, and
 - in Nagaland and Pondicherry where the Assembly was created only after the 1962 general elections.
- The last occasion when we had **near-simultaneous elections was in 1967**.

○ Beginning of the end of simultaneous elections

- The fourth Lok Sabha constituted in 1967 was dissolved prematurely in 1971. This was the beginning of the end of simultaneous elections.
- Extension of the term of Lok Sabha during the National Emergency declared in 1975 and the dissolution of Assemblies of some States after the 1977 Lok Sabha election further disturbed the cycle of concurrent elections.

○ Current status

- After the two pre-mature dissolutions of the Lok Sabha in 1998 and 1999, **only four State Assemblies have been going to polls along with the Lok Sabha elections in the last two decades**.
- We now have **at least two rounds of Assembly general elections every year**.

• News Summary:

- The 22nd Law Commission is set to recommend the addition of a new chapter on simultaneous polls in the Constitution.
- The law panel has not submitted its report to the government.
- However, it has made detailed presentations of its likely recommendations before the high-level committee.

• Key highlights

○ Insertion of a new chapter

- Currently, **Part XV of the Constitution** deals with elections. It prescribes the role of the Election Commission and for elections to be based on adult suffrage among other aspects.

Interim unity govt, common voter list: Law panel readies report on simultaneous polls

APURVA VISHWANATH
NEW DELHI, FEBRUARY 28

FROM MAKING express provisions for simultaneous polls, prescribing a common electoral roll to formation of a unity government in case a government falls before the end of its five-year tenure, the Law Commission of India has worked out three major Constitutional amendments to set the ball rolling for the 'One Nation, One Election' project in 2029, *The Indian Express* has learnt.

The 22nd Law Commission, headed by former Karnataka High Court Chief Justice Ritu Raj Awasthi, is set to recommend the addition of a new chapter on simultaneous polls in the Constitution, sources said.

Currently, Part XV of the Constitution deals with elections. It prescribes the role of the Election Commission and for elections to be based on adult suf-



The Law Commission has made a presentation to the Kovind committee. *file*

frage among other aspects. The Commission is likely to recommend insertion of a new chapter, Part XXA, that would make provisions for simultaneous polls.

While the law panel has not submitted its report to the government, it has made detailed presentations of its likely recommendations before the high-level committee, headed by former President Ram Nath Kovind, to

ABJP promise

THE IDEA of simultaneous polls, for long a BJP promise, has been amplified in recent years by Prime Minister Narendra Modi. In its 2019 poll manifesto, the BJP said simultaneous polls were needed to reduce expenditure, ensure efficient utilisation of government resources and security forces and for effective policy planning. It said a common voter list will ensure every citizen gets the right to exercise his/her franchise for all public bodies.

"examine and make recommendations for holding simultaneous polls." **CONTINUED ON PAGE 2**

- The Commission is likely to recommend insertion of a new chapter, Part XVA, that would make provisions for simultaneous polls.
- **Recommendations will be for 2029 elections**
- With 2024 elections round the corner, the recommendations will now be for 2029.
- The Commission's report is likely to suggest **synchronising assembly elections in two stages in the next five years** before all states can go to polls simultaneously with the next Lok Sabha elections in 2029.
 - Elections for states will have to be held collectively in two election cycles over the next five years.
 - **The term of some may have to be extended while it may have to be curtailed for others through the Constitutional amendment.**
 - Then 2029 can be the third election cycle where the Centre, all states, municipal and panchayat elections can be held together.
- **Tackling situations where the mandate results in a hung assembly or when a government falls midway**
- The Law Commission's prescription is to **first attempt setting up an all-party unity government** if a government falls during its five-year tenure.
- If that is not possible, then the alternative would be holding elections only for the term remaining before another cycle of simultaneous polls can be held.
 - Contesting elections only to form a government for a short term could be a disincentive for political parties to bring down a government.
- As per the commission, a second Constitutional amendment would deal with sustainability of simultaneous polls.
- **Common voter list**
- The third Constitutional amendment to be recommended by the law panel would specifically deal with a common voter list.
- Currently in many states, **the voter list for the panchayat and municipal elections is different from the one used for Parliament and assembly elections.**
 - The State Election Commissions (SECs) supervise municipal and panchayat elections.
 - On the other hand, the Election Commission conducts polls to the offices of the President and Vice President, and to Parliament, state assemblies and legislative councils.

3. What Consumption Expenditure Survey Leaves Unanswered

Recent events of importance

- **Why in News:**
- The release of the **Household Consumption Expenditure Survey (HCES) for 2022-23 marks a significant milestone** after a decade-long hiatus.
- The factsheet **offers valuable insights into present patterns of household consumption, but decisive conclusions should not be made** due to changes in methodology, survey design, and item coverage.
- Also, it is **crucial to understand key takeaways from the factsheet, notable changes, challenges in comparability, and indicators such as rural-urban inequality, inter-caste differences, and shifting consumption patterns.**
- **The HCES for 2022-23 and Difference from Earlier Rounds of Surveys**
- **A New Survey Structure**
- In contrast to earlier survey rounds, **the HCES adopts a segmented approach by conducting three separate surveys on food items, consumables and services, and durable goods.**
- This departure from the traditional single-questionnaire method aims to enhance the precision of responses by focusing on specific categories.
- **While this change aligns with the need to combat respondent fatigue, it raises concerns about comparability** with previous rounds that followed a more unified structure.
- **Introduction of Multiple Household Visits**
- Another notable change in the methodology is the introduction of multiple separate visits to households.
- **This adjustment acknowledges the well-documented issue of respondent fatigue associated with lengthy questionnaires** conducted in a single sitting.
- **Shorter, focused questionnaires are expected to yield more precise answers.** However, this modification poses challenges in terms of comparability, potentially resulting in higher expenditure estimates.



- To assess the magnitude and direction of this potential bias, **a subset of households could have been subjected to the older single-visit design for comparison.**
- **Imputed Values for Social Welfare Programs**
 - The HCES incorporates imputed values for items received or consumed free of cost through various social welfare programs
 - **This includes essentials like rice, wheat, footwear, laptops, and motorcycles. However, the validity of these imputed values remains uncertain** until unit-level price and quantity data are released.
 - Understanding the impact of such imputations on the overall consumption expenditure distribution is crucial for a comprehensive analysis.
- **Changes in Item Coverage**
 - **The survey covers 405 items of consumption**, compared to 347 in the 2011-12 round.
 - Such revisions in item coverage are not uncommon and are reflective of evolving consumption habits over time.
 - **However, these changes further contribute to the challenge of ensuring comparability** across different survey rounds.
- **An Analysis of HCES Data for Within-Survey Indicators**
 - **Rural-Urban Inequality**
 - Average all-India **urban monthly per capita consumption expenditure (MPCE)** at Rs 6,459 in 2022-23, is roughly **72 per cent higher than in rural areas (Rs 3,773).**
 - The corresponding figure was 84 per cent in 2011-12. **This seems to indicate a decline in rural-urban inequality over the decade.**
 - However, there are two caveats. This **does not account for the rural-urban price differential**, which can fluctuate.
 - Additionally, **a longer view reveals that the rural-urban gap tends to fluctuate.** From 75.9 per cent in 1999-2000, it rose to 90.8 in 2004-05, and then declined to 83.9 in 2011-12.
 - Moreover, **there is no indication of whether the ratio increased or decreased in 2017-18.**
 - **Distribution of Consumption Expenditure**
 - In 2011-12, the ratio of the 10th percentile of the rural expenditure distribution (Rs 710) to the 90th percentile (Rs 2,296) was 0.31.
 - This ratio is 0.33 in 2022-23 (Rs 1,782/Rs 5,356). **In other words, the consumption expenditure of the bottom 10 per cent of the rural distribution is roughly one-third of the top 10 per cent** — a ratio that has not changed substantially over the decade.
 - For urban areas, the corresponding ratio was 0.21 in 2011-12, which has risen to 0.27 in 2022-23, indicating a reduction in urban inequality.
 - **Inter-Caste Differences**
 - The ratio of average rural Scheduled Caste (SC) MPCE to that of the higher-ranked castes was 0.73 in 2011-12.
 - **This has remained unchanged at 0.7 in 2022-23. For rural Scheduled Tribes (ST), this ratio has improved marginally from 0.65 to 0.69 and for Other Backward Classes (OBC), from 0.83 to 0.87.**
 - While rural India does not show a marked narrowing of inter-caste gaps in MPCE, **the urban figures suggest a narrowing of inter-group MPCE gaps.**
 - For SCs, the ratio increased from 0.63 to 0.72; for STs, from 0.68 to 0.74 and for OBCs, from 0.7 to 0.84.
- **Shifting Consumption Patterns Highlighted by HCES Data**
 - The factsheet reveals that **in rural India, the percentage share of cereals, a food staple, in average MPCE is now 4.91 per cent and 3.64 per cent in urban India**, compared to 10.75 per cent and 6.66 per cent respectively in 2011-12.
 - This is **accompanied by an increase in the share of processed foods and beverages.**
 - **Overall, HCES indicates a decline in the share of food expenditure over the decade**, which stands at 46 per cent in rural and 39 per cent in urban India.
 - **There have been notable shifts** which include an increase in the share of medical expenses on hospitalization, conveyance, and durable goods in rural India, and paan, tobacco, intoxicants, conveyance, and durable goods in urban India.
- **Way Forward: Need to Follow-Up the Survey**
 - **The release of the HCES findings for 2022-23, while limited in scope, represents a welcome development in the pursuit of understanding India's consumption landscape.**
 - The provided factsheet **offers valuable insights into present consumption patterns, rural-urban disparities, and inter-caste differences.**

- However, **its limited scope necessitates a prompt release of the full price and quantity unit-level data for the surveyed year, 2022-23.**
- This complete dataset is **crucial for researchers, policymakers, and analysts to delve deeper into the intricacies of the survey** and draw more nuanced conclusions.
- **A continuous and updated flow of data ensures a more accurate understanding of evolving consumption habits, poverty indicators, and other critical socio-economic parameters.**
- **Timely follow-up surveys enable policymakers to adapt strategies based on current trends rather than historical data.**
- **Conclusion**
 - While the changes in HCES survey design aim to improve data collection methodologies, **challenges in comparability and potential biases need careful consideration.**
 - The insights into rural-urban inequality, inter-caste differences, and evolving consumption patterns **highlight the complexity of India's socio-economic landscape.**
 - For a comprehensive understanding, **the swift release of full price and quantity unit-level data is imperative, ensuring that future analyses and policy decisions are well-informed and nuanced**

4. The City of Dwarka

GS 1 (Art and Culture)

- **Why in News:** PM Narendra Modi recently performed underwater prayers at 'Dwarka Nagari', believed to be the kingdom of Lord Krishna. Since the start of the 20th century, several attempts have been made by scholars to establish the location of Dwarka as mentioned in the Mahabharata.
- **More on News:**
 - 'Dwarka', which translates to a 'gate' in Sanskrit, has been the gateway to India, which acted as an important centre of trade between India and West Asia.
 - The city of Dwarka, one of the **Sapt Puris of Hinduism**, was said to have been reclaimed from the sea by **Lord Krishna** after he shifted from **Mathura** in Uttar Pradesh to **Dwarka** in Gujarat.
 - Dwarka, according to legends, was submerged under the **Arabian Sea** as **Lord Krishna** departed from the world, marking the beginning of the **Kali Yuga**.
- **Dwarkadhish Temple**
 - At present, devotees are mainly drawn to Dwarka for the Dwarkadhish Temple.
 - The temple is believed to have been established more than 2500 years ago by Lord Krishna's great-grandson, Vajranabh.
 - The ancient temple has been renovated several times, especially leaving imprints of the 16th and 19th centuries
- **What does archaeological evidence say?**
 - While the mythical narrative about Lord Krishna and Dwarka is rooted in the Puranas, archaeological evidence, over the years, points to **several structures and a sudden submersion of a city.**
 - **Period:** Offshore excavations have revealed remnants of a city-state dating back to 2000 BC.
 - The quest to uncover Dwarka's sunken secrets started in the **1930s by Hiranand Shastri**, followed by the **first extensive excavation** being carried out in 1963.
 - Subsequent excavations unveiled a plethora of **ancient artefacts** and the submerged remnants of the **ancient Dwarka**.
 - Several ancient habitational sites were discovered in the coastal area of **Bet Dwarka island**.
 - Notably, the island of **Bet Dwarka** is located some 30 kilometres northeast of the **Dwarkadhish Temple in Gujarat**.

Looking for Lord Krishna's Dwarka

The Prime Minister entered the sea off Dwarka to pray at the remains of the 'ancient Dwarkaji'. Scholars and archaeologists have made several attempts to locate the Dwarka mentioned in the Mahabharata

ADARSH BY CHANDRANATH

NEW DELHI, FEBRUARY 28

PRIME MINISTER Narendra Modi was on the sea off Dwarka to pray at the remains of the 'ancient Dwarkaji' on February 28, and prayed at what is said to be the site of the ancient city of Dwarka. The Prime Minister entered the sea off Dwarka to pray at the remains of the 'ancient Dwarkaji'.

He had gone "where the spiritual and the historical converge, where every moment was a divine melody echoing Bhagwan Shri Krishna's eternal presence".

Later he said, "where the deep sea and the ancient Dwarka lie, archaeologists have written a fair about submerged Dwarka. Where I saw Dwarka, I expected to see the same grandeur and diversity".

Dwarka in the Mahabharata
Dwarka has immense significance in the Mahabharata. It was the capital of the Pandavas during their exile in the forest. It was the city where Lord Krishna lived and where he performed the Bhagavad Gita.

Present-day Dwarka
Today's Dwarka is a town on the coast of the Gulf of Kutch in the Arabian Sea, an Indian enclave in the town, which is part of the Kutch district. It is a city of the 13th century, which was founded by Lord Krishna.

Views of early experts
In the 1930s, the British archaeologist Hiranand Shastri was the first to suggest that Dwarka was a city of the 13th century. He was followed by other scholars like Bhanu Prasad Saxena and others.

Evidence underground
In 1963, the first extensive excavation was carried out in Dwarka. It was led by the Archaeological Survey of India (ASI). The excavation revealed the remains of a city of the 13th century.

From the 1930s onwards, archaeology was employed in the search for Lord Krishna's Dwarka. The early excavations were carried out on land around present-day Dwarka and, subsequently, explorations were carried out underwater.

The first major underwater excavation was carried out in 1963 by the Archaeological Survey of India (ASI). The excavation revealed the remains of a city of the 13th century.

In 1975, the ASI carried out a second round of excavations in the area under the leadership of Dr. Bhanu Prasad Saxena. The study concluded that it was not possible to assign a specific date to the remains.

For the next two decades, marine archaeologists and scientists from the National Institute of Oceanography (NIO) and others have been working to locate the remains of the ancient city of Dwarka.

Major excavations by the NIO, which was part of the NIO team from 1980 onwards, led the Indian experts to the conclusion that an ancient settlement lay submerged at the sea off Dwarka.

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- However, the material examination and **carbon dating** of the man-made objects recovered from the seabed in Dwarka, reveals urnam structures from pre-Harappan times, which bolsters the argument for Dwarka's historical reality.
- **Thermoluminescence dates surface explorations** suggest that the earliest habitation on the island commenced in the mid-second millennium BC.



